



Daily Report

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Daily Report

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General

Interparliamentary Delegate on Arms Transfers

OW1304194193 Beijing XINHUA in English 1554
GMT 13 Apr 93

[Text] New Delhi, April 13 (XINHUA)—China today expressed its stand on transparency in arms transfer (TIAT) by spelling out eight principles for the issue.

Delivering a speech on the issue at the 89th Inter-Parliamentary Conference which opened here on Monday [12 April], China's chief delegate Peng Qingyuan said that China is in favor of appropriate openness and transparency in arms transfer.

Peng, who is a member of the Standing Committee of the National People's Congress (NPC), said that all TIAT-related measures must be fair, reasonable and practicable.

"Therefore, China maintains that the following principles must be observed in pursuing TIAT," the Chinese delegate said.

- TIAT has to be conducive to building up international trust, easing international tensions and promoting peace and stability in the world.
- All TIAT measures must be conducive to maintaining and enhancing rather than jeopardizing or compromising nations' right to self defense and legitimate defense capabilities.
- Specific TIAT measures should be formulated jointly by all countries through consultations on an equal footing and subject to adjustment where called for by developments in the international situation and countries' changing requirements.
- The United Nations members should all strictly adhere to the UN Charter and oppose and eliminate interference in the internal affairs of other countries and the use or threat of force in displays of hegemony and power politics.
- Countries with the largest and most advanced nuclear and conventional arsenals should lead in drastically reducing heavy and offensive weapons and making public information on their arsenals and the deployment of their forces.
- Countries should be allowed to opt for any TIAT measures as they see fit in their respective national conditions while being encouraged to take part in jointly agreed TIAT measures on the basis of equality.
- Bilateral and regional exchanges of military information, TIAT measures and related arrangements or unilateral efforts should be encouraged while the UN TIAT mechanism is promoted.
- Measures for limiting and controlling the military use of science and technology must not compromise or

affect the peaceful use of advances in science and technology, by the developing countries in particular, or hamper international cooperation and exchanges.

The NPC [National People's Congress] Standing Committee ratified China's accession to the Nuclear Non-Proliferation Treaty last year, Peng said, adding that China has also signed the convention on chemical weapons.

China also welcomes the START II treaty reached by the United States and Russia and hopes it will be implemented in real earnest, he said.

'Roundup' on Arms Transfers

OW1404083393 Beijing XINHUA in English 0816
GMT 14 Apr 93

["Roundup" by Zhan Dexiong: "IPC Discusses Transparency of Arms Transfers"]

[Text] New Delhi, April 14 (XINHUA)—While the UN proposal for a global arms register to ensure transparency in arms transfers is welcomed by all countries participating in the 89th Inter-Parliamentary Conference (IPC) here, some developing countries expressed reservations about the scope and format of the register.

The IPC commenced here on Monday [12 April] taking the transparency in arms transfers as the first item on the agenda.

Mr. A.B. Vajpayee, a leading member of the Indian delegation, said we believe transparency and confidence building are not ends in themselves but should create the backdrop and appropriate political environment within which to undertake genuine disarmament measures.

The Pakistani delegate H. Akhtar Khan said it would not work unless there were effective steps to accelerate arms disarmament. Without such measures the kind of transparency could in fact have a destabilising effect and threaten the security, particularly of smaller and vulnerable states placed in a hostile environment.

The discussion, which is continuing today, showed that while there was widespread support for the proposal the developing countries felt that the big powers—the main arms suppliers—should ensure the slowing down of arms race.

The Zimbabwe delegate A.T. Mangwende said the ever-increasing quantitative and qualitative arms traffic is promoted by the producers and suppliers in order to maximize their commercial and foreign policy advantages.

He emphasized that any effective check on arms race must be preceded by restraint on the part of the big powers.

He also called for regional cooperation in checking arms transfers, saying that at the regional level, restraint on

conventional arms is vital for both economic and security reasons. He regretted that even small countries are spending more on arms than on development and said that regional cooperation could change the situation.

Many delegates noted that there was hardly a slow-down in arms sale after the Gulf war by the Western countries. And this encouraged an arms buying spree.

They demanded that there should be a constant monitoring of the entries made in the register, and this should cover the sale or transfer of technology, and such transfers should be subject to verification.

Mr. G. Muller of Germany referred to the horrendous war in Yugoslavia as an instance of illicit transfer of arms and called for a policy to control it, particularly to tighten export of weapons.

The UK delegate M. Clark also referred to the destabilizing effects of illicit sale of arms and called for a restraint by the international community.

The French delegate noted that efforts to ban chemical weapons and to reduce nuclear arsenals had just begun. He supported the idea of expanding the scope of the arms register and felt that the transfer of the state of art technology and weapons of mass destruction should be covered by the UN system.

Chen Xitong Receives IOC Vice Chairman

OW1304151993 Beijing XINHUA Domestic Service in Chinese 1610 GMT 5 Apr 93

[By correspondent Li Hepu (2621 6320 2528)]

[Excerpts] Beijing, 5 April (XINHUA)—Chen Xitong, Beijing Olympic Sponsorship Bidding Committee chairman, and He Zhenliang, executive vice chairman, met with Mr. Kim Un-yong, vice chairman of the International Olympic Council, his wife, and his daughter Kim Hye-chin at Diaoyutai State Guest House this evening.

Chen Xitong extended a warm welcome to Kim Un-yong and his wife and daughter who came here as Beijing's guests. When speaking of Beijing's bid for the 2000 Olympic sponsorship, he said that Beijing has great ambition, strong determination, and great hope, but the difficulties are also great. Beijing needs to keep learning from former Olympiad host cities and cities currently bidding for an Olympic sponsorship, as well as to make unremitting efforts to do well in all preparatory work. He said: Beijing and other cities bidding for the sponsorship are both competitors and friends; he and his colleagues will never criticize the weaknesses of other cities bidding for the sponsorship or belittle others so as to build up themselves. This is China's traditional virtue. [passage omitted]

Chen Xitong thanked Kim Un-yong for his support for Beijing's Asian Games sponsorship and bid for the Olympic sponsorship. He said: We should draw on the

experience of Seoul in hosting the Olympics. Mr. Kim Un-yong is very experienced; we hope he can give more valuable suggestions for Beijing's bidding efforts.

Miss Kim Hye-chin, a famous Korean pianist, performed with the Central Philharmonic Orchestra in Beijing. Mr. and Mrs. Kim Un-yong are here in Beijing to watch their daughter's performance. Chen Xitong congratulated Miss Kim Hye-chin for her successful performance in Beijing. [passage omitted]

Envoy Appeals for Cooperation Against Crime

OW1404025593 Beijing XINHUA in English 0110 GMT 14 Apr 93

[Text] Vienna, March 13 (XINHUA)—A Chinese envoy appealed here today for the reinforcement of international cooperation to combat increasingly rampant organized international crimes.

It is very hard for a single country to cope with crimes, especially with organized international crimes, Chen Shiqiu, Chinese representative to the United Nations organizations in Vienna, told the second meeting of the U.N. Commission on Crime Prevention and Criminal Justice which opened here today.

Only stronger international cooperation imposes effective controls, he added.

However, he stressed that such cooperation should be realistic and based on the basis of equality and mutual respect for sovereignty.

Forty member countries of the commission, which was established last year, are attending the ten-day meeting.

World Bank President Preston Ends Visit

OW1304195193 Beijing XINHUA in English 1510 GMT 13 Apr 93

[Text] Shanghai, April 13 (XINHUA)—World Bank President Lewis Preston left Shanghai today, winding up a 10-day visit to China.

Shahid Javed Burki, director of China-Mongolia department of the World Bank, said at a press conference here that World Bank will continue to support China's economic construction.

Since China resumed its seat in the World Bank, he said, it has signed contracts with the organization totaling 15.5 billion U.S. dollars for 124 projects. This year, China will use World Bank loans to implement 18 projects, he added.

He called China's implementation of World Bank projects serious and the use of its loans efficient.

Preston arrived here from Guangdong last Saturday [10 April]. In talks with Mayor Huang Ju of Shanghai this past Sunday, Preston said World Bank hopes for more opportunities of cooperation with Shanghai.

Foreign Leaders Congratulate New Leaders

OW1304152193 Beijing XINHUA Domestic Service in Chinese 1138 GMT 7 Apr 93

[Text] Beijing, 7 Apr (XINHUA)—Over the past few days, the heads of state and government of some countries have sent cables (letters) to congratulate Jiang Zemin, Rong Yiren, Li Peng, and Qiao Shi on their election, respectively, as state president, vice state president, premier of the State Council, and chairman of the National People's Congress [NPC] Standing Committee.

Those who sent congratulatory cables (letters) to President Jiang Zemin are:

Berisha, Albanian president;
Shushkevich, chairman of the Supreme Soviet of Belarus;
Deby, Chadian president;
Castro, president of Cuba's Council of State and Council of Ministers;
Havel, Czech president;
Nazarbayev, Kazakh president
al-Hirawi, Lebanese president;
Walesa, Polish president;
Kucan, Slovenian president;
Clinton, President of the United States;
Mayor, UNESCO director general.

Those who sent congratulatory cables (letters) to Vice President Rong Yiren are:

Kucan, Slovenian president;
Dimitrova, Bulgarian vice president.

Those who sent congratulatory cables (letters) to Premier Li Peng are:

Deby, Chadian president;
Castro, president of Cuba's Council of State and Council of Ministers;
Nazarbayev, Kazakh president;
'Arafat, president of the State of Palestine and chairman of the PLO Executive Committee;

al-Hariri, Lebanese prime minister;
Suchocka, chairwoman of Poland's Council of Ministers;
Drnovsek, Slovenian prime minister;
Mayor, UNESCO director general.

Those who sent congratulatory cables (letters) to NPC Standing Committee Chairman Qiao Shi are:

Shushkevich, chairman of the Supreme Soviet of Belarus;
'Arafat, president of the state of Palestine and chairman of the PLO Executive Committee;
Arbnori, president of the Albanian People's Assembly;
Jordanov, president of the Bulgarian National Assembly;
Chrzanowski, president of the Polish National Assembly;
Hwang Nak-chu, speaker of the Korean National Assembly;
Rigelnik, president of the Slovenian Parliament;

Radulovic, chairman of the Chamber of Republics of the Yugoslav Federal Assembly;
Bozovic, chairman of the Chamber of Citizens of the Yugoslav Federal Assembly.

More Greetings

OW1404052293 Beijing XINHUA Domestic Service in Chinese 1054 GMT 9 Apr 93

[Text] Beijing, 9 Apr (XINHUA)—More foreign heads of state and government leaders sent messages to greet Chinese new state leaders in the past several days.

Those who sent greeting messages by cable (letter) to President Jiang Zemin include:

Azerbaijani President Abulfaz Elchibey;
Burkina Faso President Blaise Compaore;
German President Richard von Weizsaecker;
Indian President Shankar Dayal Sharma;
Iranian President Hashemi-Rafsanjani;
Jordanian King Husayn;
Kenyan President Daniel Moi;
Saudi Arabian King Fahd al Sa'ud;
Tanzanian President Ali Hassan Mwinyi;
United Kingdom Queen Elizabeth II; and
Zambian President Frederick Chiluba.

Those who sent greeting messages by cable to Vice President Rong Yiren include:

Pakistani President Ishaq Khan and
Pakistani Prime Minister Nawaz Sharif.

Those who sent greeting messages by cable (letter) to Premier Li Peng include:

Belarusian Prime Minister Vyacheslav Kebich;
Czech Prime Minister Klaus;
Georgian Prime Minister Tenghiz Sigua;
Italian Prime Minister Giuliano Amato;
Singaporean Prime Minister Goh Chok Tong;
Tanzanian First Vice President and Prime Minister John Malecela; and
Ukrainian Prime Minister Leonid Kuchma.

Those who sent greeting messages by cable (letter) to Chairman Qiao Shi include:

Azerbaijani Supreme Soviet Chairman Isa Kambarov;
Comoros' Parliamentary Speaker Athoumane;
Czech Parliamentary Speaker Uhde;
Kazakhstan's Supreme Soviet Chairman Serikbolsyn Abdildin;
Philippines' Senate Speaker Algarra;
Russian Supreme Soviet Chairman Khasbulatov;
Sri Lankan Parliamentary Speaker (Mohamed); and
Ukrainian Supreme Soviet Chairman Plyushch.

Those who sent greeting messages by cable to Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, include:

Comoros' Parliamentary Speaker Athoumane.

Iran Ratifies Joint Pact on Nuclear Cooperation

OW1404062793 Beijing XINHUA in English 2112 GMT 13 Apr 93

[Text] Tehran, April 13 (XINHUA)—Iran's Majles (parliament) today ratified bills of separate cooperation pacts that the government has signed with China and Russia on peaceful application of nuclear energy.

According to a Sino-Iranian contract signed between the nuclear energy organizations of both countries, China is to build two nuclear power plants for Iran, which will be put under the supervision of the International Atomic Energy Agency.

Iran and China, both signatory countries of the Nuclear Non-Proliferation Treaty, are committed that their cooperation would be confined only to peaceful utilization of nuclear energy.

Russia also agreed in principle to help Iran build a nuclear power plant. The agreement was reached in July 1989 when Iranian President Hashemi-Rafsanjani visited Moscow.

Negotiations are underway and no commercial contract has been signed in this respect, Iranian officials said.

PLO Official on 'Abd-al-Shafi Visit to U.S.

OW1404011393 Beijing XINHUA in English 1346 GMT 13 Apr 93

[By Kang Changxin]

[Text] Amman, April 13 (XINHUA)—Haydar 'Abd-al-Shafi, head of the Palestinian delegation to Arab-Israeli peace negotiations, left here for Washington today in an attempt to get the Middle East peace process resumed.

A PLO official in Amman told XINHUA that 'Abd-al-Shafi arrived in the Jordanian capital earlier today as head of a Palestinian delegation comprising spokeswoman Hanan 'Ashrawi and two other members.

During its visit to Washington, the delegation will meet with senior American officials to discuss the six Palestinian demands put forward to U.S. Secretary of State Warren Christopher during his visit to the Israeli-occupied lands in February, the official said on condition of anonymity.

The delegation would also ask American officials for further clarifications of the promises made by Christopher when a Palestinian delegation visited Washington recently, the official added.

The Palestinian demands included an end to Israel's deportation policy, a speedy repatriation of all the Palestinian deportees stranded in south Lebanon and the

enforcement of U.N. Security Council Resolutions 242 and 338 on which the Middle East peace process is based.

The official said he believed that the Palestinian delegation would get American assurances that were likely to help the Palestinians return to the peace negotiations due to be resumed in Washington on April 20.

He said Egypt's President Hosni Mubarak would convey to PLO Chairman Yasir 'Arafat a U.S. proposal for resuming the Middle East peace process. 'Arafat currently is in Cairo for talks with Mubarak on the peace process.

Mubarak would also brief 'Arafat on the topics he was going to discuss with Israeli Prime Minister Yitzhaq Rabin at their meeting Wednesday in Egypt, said the official.

Other reliable sources said the Egyptian president put forward a several-point proposal during his recent visit to Washington. They specified the proposal as:

- The Gulf Arab states should break their financial boycott of the PLO
- Israel should declare its readiness to repatriate 34 Palestinians deported between 1967 and 1987, free an unspecified number of Palestinian detainees and make concessions on Palestinian autonomy in future talks
- Palestinian residents from Jerusalem and overseas should be allowed to participate in the peace negotiations with Israel, and
- Israel and the Palestinians should set up a joint committee to probe infrastructure in the occupied lands.

When asked about whether the Palestinians would participate in the coming round of the peace negotiations, the PLO source said that the Palestinians would attend the talks if their demands were met by the U.S. and Israel.

SRV Spokesman: U.S. POW Charge 'Groundless'

OW1404080193 Beijing XINHUA in English 0732 GMT 14 Apr 93

[Text] Hanoi, April 14 (XINHUA)—Vietnam refuted as "totally groundless" a U.S. paper allegation that among the U.S. servicemen missing in action (MIA) in Vietnam, 700 were still alive there after 1973, the local press reported today.

A Vietnamese Foreign Ministry spokesman said on Tuesday [13 April] that a recent article in THE NEW YORK TIMES claimed that its MIA survival story was based on secret documents just discovered in Moscow. The story was "totally groundless," as the Vietnamese Government has turned over all American POW's in detention to the United States under the 1973 Paris agreement.

The Hanoi press report cited confirmed figures of U.S. State and Defense departments to show that by the end of the Vietnam war, there were a total of 1,172 U.S. servicemen missing in action in Indo-China, 798 of whom disappeared in Vietnam.

Up till now, the report said, Vietnam has turned over the remains of 500 MIA servicemen to the U.S. Government, participated in the joint investigation with Washington into the alleged survival of 70 MIA militarymen, and checked 135 doubtful points in relevant files.

However, there was no evidence whatsoever to confirm that there still are U.S. servicemen living or imprisoned in Vietnam, the report said.

Miyazawa Discusses Aid to Russia at G-7 Meeting

*OW1404103393 Beijing XINHUA in English 0945
GMT 14 Apr 93*

[Text] Tokyo, April 14 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa said here today that it is the Russians themselves who can make their reforms work.

Speaking at the opening session of the foreign and finance ministers from the group of the seven most industrialized nations (G-7), Miyazawa said that at present Russia is at a critical juncture with its reform efforts facing tremendous political and economic challenges.

"It is the commitment and will of the Russian people themselves that really count for the success of their reform efforts," he said.

International assistance should encourage the Russian people to build effective institutions which can sustain the country's process of transition to a market economy.

Aid to Russia should be closely coordinated among the major donor nations and various international institutions, Miyazawa said. "The current G-7 ministerial meeting" marks an important step forward in this process.

Foreign and financial ministers from Britain, Canada, France, Germany, Italy, Japan, the United States and representatives from the European Community attended the meeting today.

Russian Deputy Prime Minister Boris Fedorov and Foreign Minister Andrey Kozyrev will join the participants later today at a dinner hosted by Miyazawa.

UN Survey Says Europe's Economy 'Disappointing'

*OW1404010793 Beijing XINHUA in English 2304
GMT 13 Apr 93*

[Text] Geneva, April 13 (XINHUA)—The outlook for the economies of the European countries is disappointing while the U.S. would have steady growth, says an international survey released here today.

For Western Europe and North America, the annual growth rate of real GDP [gross domestic product] appears to be less than two percent in 1993, notes the Economic Survey of Europe 1992-1993, published by the U.N. Economic Commission for Europe (UN/ECE).

Against a background of turbulent foreign exchange markets and with the German economy moving into recession, prospects for 1993 are "rather sombre" in Western Europe.

However, in the United States, the recovery now appears to be firmly established. Its real GDP is expected to rise by some 3 percent in 1993.

Among the four major Western European nations, Germany, France and Italy are likely to suffer GDP fall in 1993. But Britain is expected to have a little GDP growth.

The survey says that consumer, business and confidence are now at very low levels in Western Europe.

At the end of 1992, 30 million people were unemployed in Western Europe and North America, an increase of more than one third in two and half years.

With low or zero economic growth, the employment is likely to continue to fall and the unemployment rate to move above 10 percent in Western Europe.

The medium-term outlook for Western Europe is also more uncertain than it appeared in 1990, concerning the future monetary union.

"Economic growth in Western Europe is therefore likely to be rather subdued for the rest of 1990s."

In Eastern Europe, 1992 was another year of falling activity, the fourth in succession with a cumulative drop in output of over 30 percent.

Nevertheless, there were signs that the downturn was beginning to bottom out and in a few countries there were signs of recovery last year.

In Poland, the output growth appeared to turn up a little and is expected to rise by 3 percent this year.

However, in Russia and other former Soviet Union republics, the slump in output deepened through 1992.

In Eastern Europe, the unemployment is difficult to measure, but the data available show a rapid increase in 1992.

At the end of the year, some 6.5 million people were registered as unemployed in the region. In Poland, the unemployment rate reached to 14 percent.

The survey criticized the "shock therapy" introduced in the region. Those who advocate the therapy believes that it is possible to bring about a radical change.

"It is difficult to find much evidence for this," the survey says.

It adds that any large shock tends to increase uncertainty and, thus to paralyze action and propagate wait-and-see attitudes." [quotation marks as received]

"What does not seem to be widely appreciated is that in democratic societies 'big bang' policies are the rare exceptions rather than the rule," stresses the survey.

The survey believes that the argument between "shock therapy" and "gradualists" is not in fact helpful.

"The ability of a country to change and to adjust to change depends crucially on the nature and strength of its economic, political....And traditions, and on the conditions prevailing at the start of the process of reform."

United States & Canada

Shanghai Mayor Receives Former President Nixon

OW1304122893 Shanghai People's Radio Network in Mandarin 2300 GMT 12 Apr 93

[Text] Mayor Huang Ju met with former U.S. President Richard Nixon at the Yangzijiang Hotel on the evening of 12 April. During the meeting, the two held cordial and friendly talks. Huang Ju said: Nixon has been an old friend of the people of Shanghai. He briefed Nixon on Shanghai's achievements in its economic progress and the municipal government's construction.

During the meeting, both Huang Ju and Nixon happily recalled that the peoples of China, Shanghai, and the United States have scored various accomplishments through their friendly exchanges and economic cooperation since the publication of the Sino-U.S. Joint Communiqué in Shanghai.

Nixon said: Shanghai's enormous changes are incredible. Shanghai's economy has been progressing by leaps and bounds. He expressed his sincere wish that Shanghai would become more prosperous and more developed.

Nixon and his entourage arrived in Shanghai by plane on the morning of 12 April. Later in the day, Nixon visited the Shanghai Stock Exchange, the Sino-U.S. joint venture (Shilla) Company, and Jingjiang Hall. He also toured the splendid Nanpu Bridge.

Government To Buy Over 14,000 U.S. Vehicles

OW1404064993 Beijing XINHUA in English 0319 GMT 14 Apr 93

[Text] Washington, April 13 (XINHUA)—China today signed contracts with the "big three" U.S. automakers on buying over 14,000 cars and trucks.

The deals, valued at about 160 million U.S. dollars in total, were struck by a Chinese automobile buying mission and the General Motors Corp., Ford Motor Co. and Chrysler Corp. in Detroit.

This is the second year that the Chinese automobile buying mission has come to Detroit to purchase vehicles designed and built in North America. The new purchase involves a bigger order than what was announced last year.

The Chinese delegation leader Gan Ziyu, vice chairman of the State Planning Commission, said he was pleased to see "an effort on the part of the big three for a piece of cake in the Chinese market."

Reviewing the rapid growth in Sino-U.S. bilateral trade, Gan said that with their economies complementary to each other, the two countries could achieve great competitiveness if they enhanced cooperation by bringing their respective strong points into play.

He stressed that the most-favored-nation [MFN] status granted to each other unconditionally in accordance with a bilateral trade agreement had provided favorable conditions and a reliable guarantee for the expansion of trade between the two countries.

"In the past couple of years," he noted, "the Chinese Government has made every possible effort within its power to maintain the unconditionally reciprocated MFN status. We also appreciate what the big three U.S. automakers have done to the same end."

Commenting on the latest contract, Richard M. Lee, General Motors executive-in-charge of North American export sales, said his company welcomed the Chinese Government's decision to buy more U.S.-sourced GM vehicles for use in China.

Joseph E. Cappy, Chrysler vice president of international operations described the new deal as "a clear win-win situation," saying, "it's good for China because it helps their balance of trade with the United States. It's good for our American exports, in general, which, in turn makes it good for American workers and American companies."

Northeast Asia

Japan's Miyazawa Meets Amity Delegation Head

OW1404052693 Beijing XINHUA Domestic Service in Chinese 1321 GMT 8 Apr 93

[By reporter Huang Fengzhen (7806 7685 3791)]

[Text] Tokyo, 8 Apr (XINHUA)—Japanese Prime Minister Kiichi Miyazawa has pledged to do everything possible to cooperate with China in developing the Chinese economy. He made this remark while meeting with Sun Pinghua, president of the China-Japan Friendship Association, at the prime minister's official residence this morning. Expressing optimism about China's economic development, he said that China will play a bigger role in pushing forward global peace and development.

At the meeting, Prime Minister Miyazawa, first of all, extended his hearty congratulations on the election of General Secretary Jiang Zemin and reelection of Premier Li Peng as president of the state and premier of the government, respectively, at the First Session of the Eighth National People's Congress [NPC].

Prime Minister Miyazawa expressed satisfaction with the development of Sino-Japanese relations, saying: "Sino-Japanese relations have developed in a fairly sound manner, to the satisfaction of the people." Meanwhile, he also expressed delight over China's economic development. Miyazawa deemed the economic development targets set by the newly concluded Chinese NPC session as appropriate. He believed that China will certainly be able to attain its projected economic growth rate.

Miyazawa added: China, a motive force of global development in the 21st century, will be able to contribute to world peace and will play a role in propelling development worldwide.

Sun Pinghua said: Last year, around the 20th anniversary of the normalization of Sino-Japanese diplomatic ties, the Japanese emperor and empress paid a successful visit to China, thereby ushering Sino-Japanese relations into a new stage of development. He thanked Prime Minister Miyazawa for his efforts in arranging the emperor's and empress' visit to China and in developing bilateral relations between China and Japan.

Present at the meeting were Zhao Wei, member of the Chinese People's Political Consultative Conference, who is visiting Japan with Sun Pinghua, and Wang Yi, charge d'affaires ad interim of the Chinese Embassy in Japan.

Sun Pinghua led a six-member delegation of the China-Japan Friendship Association and arrived in Japan on 31 March for a visit at the invitation of Japan's Soka Gakkai.

ROK Securities Delegation Visits China

HK1404085593 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0753 GMT 9 Apr 93

[Report: "ROK Securities Delegation Visits China and Makes Exchanges"]

[Text] Beijing, 9 Apr (ZHONGGUO TONGXUN SHE)—At the invitation of the Chinese Association of Securities Industry, a 15-member delegation of the ROK Association of Securities Industry, headed by Kim Chang-hui, arrived in Beijing recently to pay a visit to China.

The delegation is composed of directors and general managers of nine ROK securities companies, including Taseo Securities, Taesin Securities, and Koyo Securities. They have conducted business exchanges with the Chinese Association of Securities Industry and other relevant Chinese institutions. The two sides will discuss

exchanges of personnel visits and training, and ROK securities companies' service in issuing Chinese B shares in overseas areas.

Previously, Japanese and American securities experts also visited China. This year, Australian and Taiwan securities experts will also visit China.

Beijing To Provide Disaster Relief to Mongolia

OW1304134793 Beijing XINHUA in English 1249 GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—An official at China's Ministry of Foreign Trade and Economic Cooperation today informed Humbagyn Oldzboy, Mongolian ambassador to China, on the decision of the Chinese Government to provide disaster relief to areas of Mongolia that had been hit by recent serious snowstorms.

The relief goods, which include winter clothes, soap and thermos flasks, will be transported through Erenhot, a Chinese border city, and into Mongolia.

Southeast Asia & Pacific

Rong Yiren Meets Thai Commerce Minister Uthai

OW1304110293 Beijing XINHUA in English 1042 GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—Chinese Vice-President Rong Yiren expressed the hope here today for enhancing cooperation and exchanges between China and Thailand in various fields including trade.

At a meeting with visiting Thai Minister of Commerce Uthai Phimchaichon here this afternoon, Rong said that further cooperation will be beneficial to both sides, Rong said, since the two countries, both as developing nations, all wish to develop at a faster speed and uplift their people's living standards.

China welcomes more Thai business people to invest in China, the vice-president said, adding that he hoped for more support from the Thai Government for Chinese enterprises with investment in Thailand.

After giving a detailed account of Thailand's economic development, the Thai minister said that the Thai Government will provide better convenience for Chinese enterprises which invest in Thailand.

Wu Yi, Chinese minister of foreign trade and economic cooperation (MOFTEC), who had exchanged views on bilateral economic and trade cooperation with Uthai Phimchaichon during his stay in Beijing, was also present at the meeting.

Uthai Phimchaichon and his entourage arrived in Beijing Sunday [11 April] at the invitation of MOFTEC and they will leave on Thursday.

Philippine President To Visit, Sign Accords

OW1304115493 Beijing XINHUA in English 1137
GMT 13 Apr 93

[Text] Manila, April 13 (XINHUA)—The Philippines and China will sign five or six agreements on trade and economic cooperation during President Fidel Ramos' visit to China, Trade and Industry Secretary Rizalino Navarro revealed today.

The president is expected to visit China at the end of April but exact schedule is yet to be announced officially.

In an ambush interview with reporters covering the Presidential Palace, Navarro said the two governments will sign in Beijing a trade protocol, in which both sides identify their respective products for export for 1993 and are committed to increase bilateral trade.

Navarro, one of the ten cabinet members to be in the delegation to China, said about five more agreements are expected to be signed with Chinese big companies.

"There will be some investments our way," said the trade chief who just accompanied President Ramos to attend a dinner at the Chinese Embassy hosted by Chinese Ambassador Huang Guifang yesterday.

PRC Donates Aid to Cambodian Supreme Council

BK1304123493 Beijing China Radio International in
Cambodian 1030 GMT 13 Apr 93

[Text] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council (SNC) of Cambodia, said on 12 April that he wanted the four warring Cambodian factions to be able to live together as brothers, understand each other, rid themselves of conflict, reach national reconciliation, and jointly rebuild the country and nation. The prince made this statement after a ceremony to receive material aid donated by China to the SNC at the royal palace on 12 April.

Prince Norodom Sihanouk stated that after the formation of a new government, he wanted all the Cambodian factions to stop killing one another so as to avoid more bloodshed.

The issue of the ethnic Vietnamese, he added, can be discussed with Vietnam in Hanoi. However, the discussion with Vietnam should not focus only on the issue of the Vietnamese nationals but also the issue of terrestrial and maritime territory.

On that day, Fu Xuazhang, Chinese envoy to the SNC, handed over to Prince Norodom Sihanouk a list of materials worth 10 million yuan for the SNC.

Sub-Saharan Africa

Party Sends Condolences on Slain South African

OW1304194993 Beijing XINHUA in English 1456
GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—The Communist Party of China sent a message to the South African Communist Party Monday [12 April], expressing sincere condolences to the death of Chris Hani, general secretary of the South African Communist Party [SACP].

"We have learned with great shock of the death of murder of Chris Hani...and we wish to express our sincere condolences and profound sympathy to the Central Committee of the SACP and to Hani's family," the Central Committee of CPC said in the message.

Hani was assassinated last Saturday [10 April] in Johannesburg and a 40-year-old immigrant from Poland, Januzu Jakub Wallus, was arrested and charged with the killing.

The message said Hani was "one of the outstanding leaders of the black liberation movements of South Africa, a faithful son of the South African people and a leader and intrepid fighter of the SACP," and his death was "a great loss to the SACP."

"We condemn the despicable conduct of the assassination and we believe that the SACP will turn grief into strength and, together with other political organizations in South Africa, continue to strive for the early realization of a new democratic, free and non-racial South Africa," it added.

Qian Qichen Meets Envoy of Madagascan President

OW1304135093 Beijing XINHUA in English 1256
GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with Richard Andriamanjato, the special envoy of the President of the Republic of Madagascar, and his party here today.

During the meeting, Andriamanjato passed to Qian a letter from Madagascan President Albert Zafy to Chinese President Jiang Zemin, in which President Zafy congratulated Jiang on his election of being the president.

Qian extended a welcome to Andriamanjato on behalf of the Chinese Government. He wished Madagascar social stability and economic development, under the leadership of President Zafy. He also expressed the belief that Sino-Madagascan friendly relations and economic cooperation will be further developed.

Andriamanjato said Madagascar closely follows China's development and appreciates the achievements China has made in its reform and opening drive.

He expressed the hope that bilateral relations will develop further and Third World countries should strengthen cooperation to benefit their people.

Andriamanjato said that President Zafy has confirmed Madagascar's policy stance that the government of the People's Republic is the sole legal government representing the Chinese people. Qian expressed appreciation on this point.

Earlier today, the Madagascan visitors had talks with Chinese Vice Foreign Minister Yang Fuchang.

Andriamanjato and his party arrived yesterday. Apart from Beijing, they are scheduled to visit Tianjin and Shenzhen.

Former Zairian Prime Minister Arrives for Visit
OW1304114493 Beijing XINHUA in English 1104
GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, held talks with Kengo Wa Dondo, former Prime Minister of Zaire, here today.

The two sides exchanged views on bilateral relations and on issues of common interest.

Kengo and his party arrived here yesterday at the invitation of the Chinese People's Institute of Foreign Affairs.

Meets Rong Yiren

OW1404081293 Beijing XINHUA in English 0711
GMT 14 Apr 93

[Text] Beijing, April 14 (XINHUA)—Chinese Vice-President Rong Yiren met with Kengo Wa Dondo, former prime minister of Zaire, and his party here this morning.

Rong said that Zaire is an important country in Africa, and that it boasts rich natural resources and hard-working people. He expressed the wish that Zaire would score more achievements in its peaceful construction and development.

Kengo said that he visited China in 1986 and that during his current trip he had seen that China had made great progress in the past few years.

During the meeting Rong and Kengo exchanged views on bilateral relations.

Kengo and his party arrived here April 12 at the invitation of the Chinese People's Institute of Foreign Affairs. After touring Beijing, they will visit Nanjing, Guangzhou and other cities.

Vice Minister Visits Ethiopian Prime Minister
OW1304140093 Beijing XINHUA in English 1325
GMT 13 Apr 93

[Text] Addis Ababa, April 13 (XINHUA)—Ethiopian Prime Minister Tamirat met visiting Chinese Vice-Minister of Culture Liu Deyou here this morning.

During the meeting, Tamirat briefed Liu Deyou on the recent changes in politics, economy and society of Ethiopia.

Tamirat said the Ethiopian Transitional Government hopes that the friendly and close relations between the two countries will be further developed.

Before the meeting, Liu Deyou met Ethiopian Minister of Culture and Sports Leule Selassie Temamo and Foreign Minister Seyoum Mesfin respectively.

Liu Deyou, who leads a Chinese cultural delegation, arrived here on April 11.

Political & Social

Commentator on Enhancing Ideological Work

HK1404121693 Beijing RENMIN RIBAO in Chinese
12 Apr 93 p 1

[Commentator's article: "Strengthen Ideological and Political Education in the New Situation"]

[Text] At the Second Plenary Session of the 14th Central Committee, Comrade Jiang Zemin called on the whole party to augment ideological and political education in the new situation. Recently, at the concluding ceremonies of the First Session of the Eighth National People's Congress, Comrade Jiang Zemin has again called on the people across China to establish the great pioneering spirit with emancipating the mind and seeking truth from facts as its essence, and required state organizations at all levels and government workers to play an exemplary role in those arenas. To work hard to realize these requirements is of importance to further augmenting the rallying force of the party and the state, giving play to the enthusiasm of the contingents of cadres and masses, emancipating and developing productive forces, and focusing energy to develop the national economy.

To grasp ideological and political education is our party's traditional advantage. Historical experiences show that every great social change, is inevitably accompanied by extensive ideological mobilization and profound ideological change, and every ideological mobilization and change powerfully pushes the historical progress of the period. China is now undergoing a fundamental social change with the deepening of reform, expansion of the opening policy, emancipation and development of the productive force, and an unprecedented great social change, which requires adjustment in people's ideological concepts, spiritual state, ethical level, and cultural qualities to meet the needs of the new situation. The realistic conditions today are, namely, that the situation is developing very fast, and new conditions and problems are surfacing one after another; with the presentation of various reform measures one after another and the readjustment in economic interests, people are perplexed, and they have many problems that need to be answered and resolved, whereas our ideological and political work seems to have failed to come up. Developing the socialist market economy, it is helpful to broaden people's vision, invigorate thinking, improve their ability in pioneering and blazing new trails; however, we must soberly see that not all things that surface and exist in market activities are positive, healthy, and rational. While learning from and referring to Western developed countries, we have really absorbed lots of excellent ideological and cultural results, and enriched our spiritual treasure house; however, there are many other things that are incompatible with our outlook on life and value concepts which are playing a role in exerting a subtle influence on people's thinking. All this shows that ideological and political education should not be relaxed and reduced, but be magnified.

Comrade Deng Xiaoping indicated that for a certain period the greatest mistake had been education, mainly ideological and political education. Past examples serving as a warning are not hard to find, and we have no reasons to forget. Party organizations at all levels should attach great importance to ideological and political education, and comrades on the propaganda front should strengthen their sense of responsibility and mission; adhere to the principle of doing two types of work simultaneously, attaching equal importance to both; and exert great efforts to augment the party's ideological and political work.

Ideological and political education is basic ideological building and soul-casting systematic engineering [zhu zao ling hun de xi tong gong cheng 6999 6644 7227 7609 4104 4762 4827 1562 4453]. The key link to doing a good job of this work is to earnestly propagate the 14th party congress spirit and to extensively conduct education in Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line throughout the party and the country; this is a powerful spiritual impetus and ideological insurance for reform, opening, and modernization as well as the requirements for creating a sound public opinion and social psychology. A large party with 50 million members, and a large country that has a population of approximately 1.2 billion must have a correct ideological theory as its spiritual pillar, without which it would be impossible to focus the will and actions of all party members and people across China on a common orientation and a great strategic goal. We will adopt several powerful measures this year implement this task in a down-to-earth way. On this basis, it is imperative for us to conduct education in breadth and depth, in patriotism, collectivism, and socialism, as well as in contemporary and modern Chinese history and the fine cultural tradition of the Chinese nation to establish correct ideals, faith, outlook on life, and value concepts, and to augment the national spirit of self-respect, self-improvement, and self-confidence while consciously resisting the erosion of things corrupt and ugly. The people and teenagers should be taught that the socialist market economy we are pursuing will naturally attach importance to economic returns and profits, and encourage a number of people and places to become rich first; nevertheless, we should never forget that our starting point and home base are to develop social productive forces, continuously magnify comprehensive national strength, and improve the people's living standards to gradually realize the common prosperity for all people. We pay attention to individual interests; however, individual interests will be realized in the growth of national and social development, and the realization of individual interests should not harm national, collective and other people's interests. Our party and people will never allow such erroneous ideas as harming others to benefit oneself, trying to turn everything to one's own advantage, putting money above all else, and each trying to cheat or outwit the other to run amok in social life, and will never provide an arena for various kinds of

decadent ideas. It is necessary for us to conduct education among the people across the country, especially cadres at all levels, in the pioneering spirit so that the concepts of emancipating the mind, seeking truth from facts, enthusiastic exploration, being brave to blaze new trails, working hard and persevering, taking the bull by the horn, learning from foreign countries, making unremitting efforts to improve oneself, being modest and prudent, being neither conceited nor rash, dedicating heart and soul to the same cause, taking into consideration the whole situation, being diligent and thrifty, being honest and upright, making great efforts to make the country strong, and selfless devotion may genuinely strike deep in people's minds and become a powerful spiritual impetus for doing a good job of all items of work. Party members and leading cadres at all levels should be taught that economic construction should progress, but the social atmosphere should never regress. Should the social atmosphere deteriorate, with waste, corruption, bribery, and the abuse of power going unchecked, economic construction will never develop, and a prosperous and powerful nation will be out of the question. Party members and cadres must stand the test of money, power and other temptations, and play an exemplary role in creating and maintaining a sound social atmosphere; party and government organizations should maintain their lofty image of serving the people heart and soul in developing the market economy. Besides, we should conduct education in Marxist material dialectics and strengthening solidarity among the rank and file of cadres, education in democracy and the legal system, and professional as well as social ethics among cadres and masses to create a social environment characterized by stability and unity, an auspicious atmosphere, and good order, which is helpful to the development of our cause.

To do a good job of ideological and political education in the new situation, it is necessary to act according to the party's line, principle, and policies as well as the law and decrees of the state, and to take a clear-cut stand on important issues regarding what should be advocated, what should be brought forward, and what should be opposed and restricted, with no ambiguity allowed. At the same time, it is necessary to bring forward and earnestly improve the spirit of being willing to make progress and blaze new trails; make ideological and political work lively, rich, colorful, and impressive; and elevate people's spiritual state and mold their temperament with spiritual products in lofty style, but not to cater to low taste for certain economic return. Now the situation as well as the objects of propaganda have changed, with progress made in science and technology. Should our way of education and conveyors and means of propaganda fail to change correspondingly, it would be difficult to implement our tasks for strengthening ideological and political education in a down-to-earth way. We hope that leading cadres at all levels, broad party workers, and ideological, propaganda and educational workers will grasp well ideological and political education with a new spiritual feature and types of

activity and actively shoulder the historical responsibility entrusted them by the party and the people.

Regulations To Stop Biographies Distorting Facts

OW1304142193 Beijing XINHUA in English 1401
GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—China has issued new regulations to stop publication of biographies of late Chinese leaders which distort historical facts.

The regulations said that publications on the work and daily life of the principal leaders must be accurate, serious and healthy.

In the past few years, publishing houses produced various titles on late leaders including Mao Zedong and Zhou Enlai for profit, as these books have become very popular throughout the country.

However, the relevant departments have found that quite a few books of this kind distort the leaders' images and the facts of historical events.

According to a rough statistic by the State Administration of Press and Publications, in 1992, 27 publishing houses produced 37 biographies of late leaders without permission from the administration. Most of the books include false descriptions so as to seek novelty.

In the book entitled *Mao Zedong's Son—Mao Anlong*, published by the Inner Mongolian People's Publishing House, none of the contents are based on fact.

Soon after the book was published, the publishing house was showered with protest calls and letters from those who have been mentioned but misrepresented in the book.

The new regulations, worked out by the Propaganda Department of the Communist Party Central Committee and the State Administration of Press and Publications, stipulate that all publishing houses are forbidden to produce biographies with created plots and false descriptions.

Beijing Paper Carries 'All Fools' News' 1 Apr HK1404022493

[Editorial Report] Beijing ZHONGGUO QINGNIAN BAO on 1 April publishes on page 6 a total of 19 reports of "All Fools' News" in its "Social Weekly" edition, which is published every Thursday. The titles of the reports range from "Al-Qadhdhafi Intends To Recruit Female Bodyguards in China" to "Summer Time To Be Resumed" and "Beer Pipes To Be Laid in Jinan."

A report entitled "New Policy for Rewarding Intellectuals Has Been Introduced, Doctors Can Have a Second Baby," says: "According to a work report by a state department concerned, in order to improve the quality of population, as of the second half of this year, all units

that need to handsomely reward scientists and technicians may do so by granting doctors quotas for having a second child.... Entrusted by the State Council, a department concerned conducted a special inspection tour in Singapore at the end of last year and, taking as reference the country's legal provision that those receiving university education may have a second child, put forward a new family planning policy with Chinese characteristics as a new measure for handsomely rewarding the scientific and technical elite."

In a "Hint" carried in the upper right corner of the page, the paper warns readers not to believe the news: "We guess that the Chinese like to set people laughing and are keen on cracking jokes without so much as batting an eye. For this reason, we have selected the 1 April 'All Fools's Day,' a foreign festival, to provide people with an opportunity to do just that, and to throw out the 'No. 5 Floating Message Bottle.' The full page today can be regarded as the bottle's return. It is guessed that those who write these reports cannot help laughing up their sleeves, but readers should never believe them because they are all false.... Naturally, our purpose does not stop at making simple jokes but gives healthy, positive, and uplifting happiness.... In fact, even 'false news' can reflect a lot of genuine social significance, and it is believed that imaginative readers can realize this."

Hong Kong HSIN WAN PAO publishes on 1 April on page 2 excerpts of the ZHONGGUO QINGNIAN BAO report under the title "To Improve Population Quality, China Allows Doctors To Have a Second Child." The source of the story is not cited. In a report carried the next day, entitled "Beijing Newspaper Cracked a Joke on All Fools' Day; Being Unaware, Our Reporter Was Taken In," the paper says: "On the Chinese mainland, All Fools' Day has always been regarded as a silly activity for entertainment. The big joke initiated and played by the organ of the Chinese Communist Youth League has aroused a strong reaction in all circles."

ZHONGGUO QINGNIAN BAO, in turn, publishes on 2 April on page 1 a letter to readers by its editorial department, saying: "This practice is not in keeping with the general reading habits of the Chinese and has caused misunderstanding among some readers. We think this practice is not serious and hereby offer apologies to society and readers!"

On 5 April, the paper carries on its front page a reader's letter entitled "'All Fools' News' Is Unsuitable." The letter states: "If we want to consider the interests of readers because we think they are too weary of life, we can try to write articles in a more lively way at ordinary times so that they will feel relaxed and cheerful when reading them. There is no need to wait until 1 April to 'fool' them and then say in a compassionate tone that they are pitiable. Press reform should not be conducted this way."

'Controversy' Over News Noted

HK1404121593 Hong Kong TA KUNG PAO in Chinese
9 Apr 93 p 14

["Feature article" by Mu Yeh (2606 0673): "Controversy Over 'All Fools' Day' News"]

[Text] Beijing-published ZHONGGUO QINGNIAN BAO carried a whole page of sensational news in its 1 April issue of Social News Weekly, and the stories included "the adoption of new policies for giving high awards to intellectuals and allowing doctorate-holders to have a second baby," "Kungfu writer Jin Yong resuming creation of new works," "the Qianmen gate tower having been sold," "Libya's Al-Qadhdhafi wanting to hire female bodyguards in China," and "someone who is able to strike down Lidike Bao [6849 6611 0344 7637]." A banner headline on the top of the page reads: "The stories sound like they are true." At the upper right corner of the page, there is a "reminder" to readers: The stories on this page are just designed for fun on All Fools' Day. However, on 2 April, ZHONGGUO QINGNIAN BAO carried a note of apology to readers in its first page for the above-mentioned practice. It was said that the authorities concerned found that such joke-making practice of the newspaper was rather improper.

ZHONGGUO QINGNIAN BAO, run by the the Central Committee of the Communist Youth League, is one of the mainland's popular newspapers. It has a large number of readers. The social news weekly of this newspaper has a reputation for its sensitive subjects of social news coverage. As the editor's "reminder" on 1 April said, it was All Fools' Day in the West. This gave an opportunity to the Chinese people who have a sense of humor. The weekly dropped a "drifting bottle No. 5" to its readers. That is, two weeks prior to All Fools' Day, it began to collect All Fools' Day contributions from people in society. As a result, more than 2,000 people, including students, military personnel, cadres in party and government institutions, rural cadres, and journalists, sent stories they wrote to the newspaper office. The newspaper selected and published more than 20 among the contributions.

The newspaper said publishing these stories was not aimed at "making simple jokes, but bringing healthy and positive happiness to readers." "In fact, the 'false news' also reflects quite a lot of truth of social significance." The newspaper also said that "readers should never take them as true stories, because they are all fabricated."

Readers in Beijing had different opinions on such practice of ZHONGGUO QINGNIAN BAO. Two female reporters said: We do not think that there is anything wrong with such practice of ZHONGGUO QINGNIAN BAO. A newspaper should be interesting, and only thus will it be readable. We read all the 20-plus stories and read them more carefully than reading ordinary newspapers. Some stories showed wonderful imagination and were very impressive.

A student in the Chinese People's University said: "All Fools' Day is a day on which Western people play jokes on each other, and many university students are very interested in such a special day. Someone wrote on the blackboard: 'The teacher is on sick leave, no class today.' Of course, such mischief caused discontent among many students, because it affected people's normal work and study. However, as ZHONGGUO QINGNIAN BAO gave a reminder to its readers, it was not wrong for the newspaper to publish the stories."

Two young passengers on the subway discussed the All Fools' Day articles published by ZHONGGUO QINGNIAN BAO, and said: The Chinese people are too tired in their day-to-day lives, and many people just want to pull a long face and behave "seriously." The ZHONGGUO QINGNIAN BAO articles made people laugh, and they were much better than those boring cliches.

However, the articles also encountered criticism from many readers. A cadre working with a state institution said seriously: A newspaper should be a tool of propaganda. Publishing such "false news" could only fool readers. This cadre who has exceeded the retirement age complained: He did not notice the "reminder" until he found that the stories were extremely ridiculous.

It was said that the newspaper originally planned to give awards to some story writers, and the awards range between 500 and 1,000 yuan. It seems that the award-giving plan may not materialize.

Reportage on Jiang Zemin Visit to Hainan

Urges Drawing on Foreign Experience

HK1404003093 Beijing ZHONGGUO XINWEN SHE
in English 1421 GMT 13 Apr 93

[Text] Haikou, April 13 (CNS)—China should continue to use as reference foreign experience in speeding up the establishment of the socialist market economy system and its operational mechanisms in the special economic zones, President Jiang Zemin said here today at the celebrations marking the fifth anniversary of the setting up of Hainan Province.

Mr. Jiang said that China should go on drawing lessons from foreign countries and copy international practice with integration of China's own national situation and its unique SEZs in order to develop the market economy bearing the characteristics, merits and style of China's economic zones. Further exploitation of the SEZs, according to Mr. Jiang, will rely on a healthy market system and sound entrepreneurial qualities in a bid to be involved in competition and cooperation in the world economy. A start to reform beginning in the SEZs should be set at a high level with big steps to be taken in order to create valuable experience in reform and national building up.

Mr. Jiang said that the SEZs should follow the general trend of the international market and the world's new technology. They should realize as early as possible the upgrading of industrial structure and product pattern, bring about the transformation of the SEZs into a capital-knowledge- and technology-intensive mode in order to boost competitiveness. They, meanwhile, should go further in the development of the export-oriented economy. The building up and exploitation of the SEZs will require the emphasis being placed on scientific planning and on a reasonable layout for overall better economic results. The SEZs should make painstakingly great efforts in exploiting knowledge-oriented tertiary industry and in strengthening the comprehensive functions of the zones.

Supports Ruan Chongwu

HK1404061493 Hong Kong CHING CHI JIH PAO in
Chinese 13 Apr 93 p 2

["Special dispatch" from Haikou by staff reporter Li Feng (2621 7364): "Jiang Zemin Visits Hainan With the Aim of Supporting Ruan Chongwu"]

[Text] Jiang Zemin, who just took office as president of the country at the First Session of the Eight National People's Congress [NPC], arrived in Hainan's Haikou City yesterday afternoon. Accompanied by many important individuals, he was here in a "double" capacity: to participate in the activities celebrating the fifth anniversary of Hainan's founding as a province, and to show support for Ruan Chongwu.

According to an informed source at the senior level in Hainan, Jiang Zemin arrived in Hainan in the capacity of chairman of the CPC Central Military Commission and president of the country; he was accompanied by Li Ruihuan, the newly elected chairman of the National Committee of the Chinese People's Political Consultative Conference; Vice Premier Li Lanqing; Zhang Zhen, vice chairman of the CPC Central Military Commission; Tian Jiyun and Chen Muhua, vice chairmen of the NPC; and approximately 20 other ministers.

The informed source said that, apart from participating in some activities celebrating the fifth anniversary of the founding of Hainan as a province, Jiang Zemin and Zhang Zhen will visit the South Sea Fleet together.

According to information we have received, this is the first time that Jiang Zemin has led many important individuals to the southernmost province in a "double" capacity, and this indicates the importance he attaches to Hainan and his support for Ruan Chongwu. This also shows that he will solve some actual problems for Hainan.

Some Hainan officials told reporters that Hainan, while having a population of six million and being the largest special economic zone in China, has not experienced ideal development over the past five years, because its natural conditions are poor and local influence has been

too serious—to the extent that many officials who were transferred here from other localities could not work. They thought that Jiang Zemin's "coming south" would play a certain role in promoting Hainan's development.

The informed source said that Jiang Zemin made this trip to the south because he hoped that Hainan could take a turn for the better and that Ruan Chongwu, who he had picked personally, could win him some glory. Ruan Chongwu is 59 years old; he was Jiang Zemin's partner when Jiang served as mayor of Shanghai. At that time, Ruan was deputy secretary of the Shanghai Municipal CPC Committee, as well as executive vice mayor. When Liu Jianfeng and Deng Hongxun, the former governor and party secretary of Hainan, became entangled in disputes, Jiang Zemin personally picked Ruan Chongwu and let him go to Hainan. Ruan had said that he would go only on the condition that he be appointed as both governor and party secretary, and Jiang Zemin satisfied his demand.

According to those who know the background of Ruan Chongwu, Ruan is a follower of Jiang Zemin and was from Hu Yaobang's group. In 1987, when Hu Yaobang was ousted during the campaign against bourgeois liberalization, he was also transferred from the post of public security minister to the unimportant post of labor minister. After Jiang Zemin was promoted to the central authorities, Ruan began to have a political "regeneration." The informed source pointed out that Ruan can be considered as having been pragmatic since he came to Hainan, and that, judging from his current situation, a further promotion is possible.

Jiang Zemin Encourages Shanghai Residents

OW1304144893 Shanghai JIEFANG RIBAO in Chinese 20 Mar 93 p 1

[Special dispatch by JIEFANG RIBAO reporters Dong Qiang [5516 1730] and Di Jianrong [3695 1696 2837] from Beijing: "Jiang Zemin Sends a Word to the Shanghai People: Bear With Temporary Difficulties To Pursue a Glorious Tomorrow"]

[Text] Beijing, 19 March—General Secretary Jiang Zemin sent word to the Shanghai people: As your burden is heavy and the road is long, I hope you can bear with temporary difficulties so as to strive for an even more glorious tomorrow.

General Secretary Jiang Zemin today gave an interview to Shanghai reporters. He said: As I have lived and worked in Shanghai for many years, it is beyond doubt that I am concerned with Shanghai. I read JIEFANG RIBAO, WEN HUI BAO, and XINMIN WANBAO. Jiang Zemin added: Shanghai shoulders heavy responsibilities, with a particularly arduous task in construction. I went to Shanghai a few months ago and saw the city busy with construction work. On one hand, Shanghai is carrying out development, and on the other it continues to face numerous real problems which have been there since I was mayor. For instance, housing problems and

traffic congestion are still rather serious. He said: I came across a very good phenomenon in Shanghai; the Shanghai people are able to comprehend difficulties encountered in the course of development and to adopt a supportive and cooperative attitude. He said: All of us are pursuing a glorious future; however, it would be unrealistic to expect to reach the top in a single bound without facing problems. The reason for us to bear with a little temporary difficulty today is to pursue an even more glorious tomorrow.

Vice Premier Zou Jiahua Inspects Tianjin 3-4 Apr

OW1404114493 Beijing XINHUA Domestic Service in Chinese 1453 GMT 4 Apr 93

[By reporter Zhu Yuquan (2612 3768 3123)]

[Text] Tianjin, 11 Apr (XINHUA)—While inspecting key projects in Tianjin, Zou Jiahua, vice premier of the State Council, and State Councillor Comrade Li Guixian pointed out: The key to establishing and developing pillar industries lies in enhancing their number and scale, which in turn depends on market demand, input possibilities, and actual benefits. This will also involve a process whereby a small-scale pillar industry develops into a large-scale industry, with its technology progressing from relatively advanced to a more advanced level. Once the pillar industry is in a position to propel a series of relevant industries, it will have become a leading industry which enhances national economic progress. He said: Several ongoing key construction projects in Tianjin have progressed rapidly, and have demonstrated high-quality work. The prospects for their products are bright. Practice has shown that Tianjin has the ability to construct and manage large-scale key construction projects properly.

From 3 to 4 April, immediately after the closing of the First Session of the Eighth National People's Congress, Zou Jiahua, vice premier of the State Council; Li Guixian, state councillor and governor of the People's Bank of China; and leading comrades of the State Council's relevant departments, arrived in Tianjin. Accompanied by Tianjin Mayor Nie Bichu and others, they inspected key projects including seamless steel pipes, program-controlled switchboards, and vehicle generators.

On the afternoon of 3 April, Zou Jiahua, Li Guixian, and others traveled along the Beijing-Jintan Expressway, and headed toward the Tianjin seamless steel pipe project worksite. The project—involving investment amounting to more than 8 billion yuan—is Tianjin's number one key project in the Eighth Five-Year Plan. Since June 1992, continuous steel-casting and pipe-rolling systems have successively begun thermal-charge test runs. As of the end of March 1993, the project had completed 1,100 steel-smelting furnaces, producing 150,000 tonnes of steel. In the first quarter of 1993, the project produced 76,400 tonnes of up-to-standard steel billets, and rolled more than 400 tonnes of seamless steel pipes of 14 varieties. At present, product supply cannot

meet domestic and foreign market demand. Zou Jiahua, Li Guixian, and others meticulously inspected every procedure of the continuous steel-casting, pipe-rolling, and pipe-processing systems. Zou Jiahua pointed out: In comparison with other seamless steel pipe plants in China, this project currently has the most advanced technological levels, was constructed the most rapidly, and manufactures the best products. The market for its products is very big. When the enterprise begins formal production, its products will not only relieve China's urgent domestic demand for oil casing pipes, but will also enter the international market. He said: Whether the products will withstand fierce market competition will depend not only on first-class technology and facilities, but also on first-class management and professionals. He urged all relevant departments to fully support this project so that it will begin production and yield benefits at an early date.

On the morning of 4 April, Zou Jiahua and his party successively inspected the Tianjin program-controlled telephone switchboard and the Xiali vehicle generator projects. They fully affirmed the construction of these two projects. Zou Jiahua said: The technological levels of these two projects are high, and there are markets for their products. In the future, they should strive to improve their product quality, functions, prices, delivery period, and after-sales services so as to strengthen their competitiveness. While attracting and learning from imported technology, they should also accelerate the pace of domestic production and lower costs in an effort to improve their competitiveness. Zou Jiahua said: All relevant state departments should render full support to create favorable conditions in various aspects which are conducive to the Xiali vehicle's rapid development. He expressed the hope that after several years of effort, a number of pillar industries including seamless steel pipes, vehicles, program-controlled switchboards, and ethylene will be expeditiously established in Tianjin. These pillar industries will greatly boost Tianjin's economic strength so that it will play a greater role in the national economy.

Li Ruihuan Receives Overseas Entrepreneur

OW1304144693 Beijing Central Television Program
One Network in Mandarin 1400 GMT 2 Apr 93

[From the "News" program]

[Text] On the evening of 2 April Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the Chinese People's Political Consultative Conference National Committee, met with famous Chinese entrepreneur Mr. Lin Ruguang, as well as his wife and party, at the Diaoyutai State Guest House's Yangyuan Room.

Li Ruihuan congratulated Mr. Lin Ruguang for receiving the title of Honorary Resident of Tianjin, and expressed

appreciation for his successful investment and cooperation projects in China. They held a cordial conversation on issues of common interest.

Article by Deng's Daughter Recalls Wang Zhen

HK1304144093 Beijing RENMIN RIBAO in Chinese
4 Apr 93 p 5

[Article by Mao Mao (3029 3029): "Cherishing the Memory of Uncle Beard"]

[Text] Uncle Beard has left us.

Uncle Beard had been in very poor condition for some time, and we were told that he was on his deathbed; therefore, we were not entirely mentally unprepared.

Nevertheless, Uncle Beard had a very stubborn vitality; with his peculiar stubbornness, he had on several occasions conquered death.

This time, he went to Guangdong, and we often asked after him by telephone, and were very happy at his gradual recovery. We were ready to welcome him home from the south at the airport, this amiable, respectable "good old man" of a father figure....

But we never expected that he would have passed away.

We never expected that we were saying farewell to him when he left for the south.

Upon hearing of the death of Uncle Beard, we were shocked, then tears ran down our faces and just would not stop.

On 14 March, we went to the airport to receive the remains of our dearest Uncle Beard.

Our daughter Yangyang said to me: "Mama, I want to receive Grandpa Beard at the airport, too."

Our daughter is 13 years old, and quite a sensible child. The third generation of our household had always been very intimate with Grandpa Beard since they were born, and treated him like their own grandpa.

I gave my consent.

It was cloudy that day when we arrived at the airport; heavy clouds concealed the sun. The wind in early spring was not really cold, but it was disordering people's hair, and the cold was sent straight to people's hearts.

The special plane from the south circled in the sky, then landed slowly, and the roar of the engines shook the earth.

The door of the cabin opened amid funereal music.

The guard of honor, in all their solemnity, came down the steps bearing the coffin.

I grasped my daughter's hand. Uncontrollable grief burst from my breast. Tears ran down like a flood from a

broken dike. Repressed, low weeping filled the crowd receiving the remains of the deceased.

Uncle Beard has left us forever.

But so long as I look at the smile on his photo, I get a sharp feeling that Uncle Beard is right beside us. Memories of things past come before my eyes one scene after another, just like a movie.

We were close to Uncle Beard because, first, he and our father, Deng Xiaoping, were old comrades and comrades-in-arms close as brothers, and second, Uncle Beard was fond of us, the second generation. Uncle Beard treated us like his own children, while we were so close to him that sometimes there seemed to be no generation gap.

Uncle Beard and our father became acquainted half a century ago.

Sometimes I interviewed Uncle Beard to write about my father. He would always receive me with his famous broad smile. He told me: "It was in 1931 that I first met your father, when the First Congress of the Chinese Soviet was convoked in Ruijing. Soon after we got to know each other, your father was under attack by the erroneous line. Your father was quite far from the Soviet areas! At that time, our sympathy was with him."

I calculated that at that time they were both cadres of the Red Army only in their twenties, but at the same time they were both proletarian revolutionary soldiers who had already undergone many tests in years of revolutionary struggle full of bloodshed.

Whenever Uncle Beard was mentioned, my father would always say with a smile: "Beard Wang genuinely hails from the working class. He used to be a railway worker, a genuine proletariat at that."

The friendship between our fathers was calculated in scores of years, and even in terms of a century. This friendship was really precious.

In comparison, the years of my acquaintance with Uncle Beard were insignificant, but still, they were memorable.

They began on 1 May 1972.

With the outbreak of the "Great Cultural Revolution" in 1966, my father was overthrown as "China's No. 2 capitalist-roader in power." My parents were repudiated, denounced, and placed under house arrest, and we children were sent down to the countryside to do manual labor and settled separately in various parts of China. Our family, like many families broken up during the "Cultural Revolution," was split and disintegrated. With Lin Biao issuing the 1969 "No. 1 Order," our parents were dispatched to Jiangxi, and put under house arrest inside the former Nanchang Infantry Institute. We children scattered in all parts of the country could then go to Jiangxi to visit our parents.

At that time, the "Cultural Revolution" was still raging; however, there were instantaneous changes in the situation, with the frequent occurrence of sudden incidents, of which the one that was the greatest shock to the situation was the incident of Lin Biao, who brought destruction on himself. Although Lin Biao, who committed heinous crimes, was dead, the "ultraleftist" ideological trend continued to run amok, and the violent tide of "leftist" movements continued with a strong momentum. Our father's political life remained dim, and a turn for the better did not seem to be on the horizon.

In 1972, I went to Jiangxi from northern Shaanxi, where I had settled, to visit my parents. On my way back to northern Shaanxi, I made a trip to Beijing by train to visit my former classmates and friends, while taking the opportunity to find out about how matters stood in the political situation.

Having arrived in Beijing, I stayed at my former classmate's house. On the very second day, an old friend came to see me, saying: "Mao Mao, Beard Wang wishes to see you."

Beard Wang, who was none other than Wang Zhen, was a man of sterling character during the "Cultural Revolution"!

When the "Cultural Revolution" began, he did not succumb to the rebels' pressure; even when he was put on a truck to be shown for "public denunciation," he shouted at the top of his voice, denouncing the "ultraleftist" ideological trend, and would not yield an inch.

During the "Cultural Revolution," he coolly defied Lin Biao, and would never play up to those in power.

He was full of feelings for those old comrades-in-arms who had been attacked and persecuted, and would do his utmost to act as messenger for his old comrades-in-arms who were held in custody and their children, going around campaigning for their release.

Although I had never met this famous "Beard Wang," I cherished great admiration for this elder, who was famous for his uprightness, being fearless of those in power, and speaking boldly in defense of justice.

"Beard Wang" wished to see me, but what did he want to see me for? I really had no idea, but the idea of meeting such a famous figure gladdened me; however, I really felt somewhat anxious about the meeting.

My good friend took me into Wang's residence.

Upon entering the house, an elder clad in a black tunic, with a slim, upright figure, came into my view. As soon as he saw me, he took my hand and gave a broad smile, his gray beard shining.

That was the famous "Beard Wang," and his famous bright smile.

Uncle Beard said to me: "Be seated. I heard that you were here from Jiangxi; how is your father doing?"

There really was no ceremony, no beating about the bush, and his words were straightforward, simple but cordial.

I briefed him on my parents' conditions in Jiangxi.

When Uncle Beard heard my briefing, he said: "Tell your father that his problem will certainly be resolved! I'm going to see Premier Zhou! I'm going to write to Chairman Mao and the Central Committee! Your father should come out and work!"

Upon hearing these words, I was choked with emotion. For years, I had not heard words spoken with such warmth and straightforwardness!

"Don't return to northern Shaanxi, but hurry to Jiangxi and tell my words to your father!"

I saw the importance of the matter, and nodded my head.

After a pause, Uncle Beard said: "I've already reported your arrival in Beijing to the relevant central leader. Social order has not been sound these days; I must bear responsibility for your safety in Beijing. Don't go anywhere else, and you can stay in my house!"

He said that entirely in a commanding tone.

I had been 16 when the "Cultural Revolution" began; since then, we had been denounced in public, cursed, our home ransacked, and driven from one place to another. I had been all alone since I settled in the countryside, traveling across the country from north to south in a worn-out cotton-padded coat, carrying an equally worn-out satchel, after the fashion of a "vagabond." For six long years, I had not received much care and concern from many people.

That day, Uncle Beard gave me an order, a solemn order but with warmth that moved me greatly. The tone he spoke in and the expression on his face left an indelible impression on me.

That was the first time that I had ever met Uncle Beard.

One had to obey Uncle Beard's orders, like it or not. That being the case, I stayed at their house.

That evening, Uncle Beard's three sons returned home, and they formed a circle around me, asking me lots of questions. Of course, they were mostly about my father's conditions. At that time, they were perfect strangers to me, and all my seniors in age. They appeared in all their seriousness of speech and manner, and the solemn atmosphere like an "inquisition" made me really nervous, even though I had never been scared of anything!

That was precisely how I first met the three Wang brothers: Wang Bing [0365], Wang Jun [6511], and Wang Zhi [0037].

That second day was 1 May, International Labor Day. I was fully aware of the mission entrusted to me, left the Wangs, and was on my way back to Jiangxi.

I clearly remember that it was a fine day. When I strolled in Tiananmen Square, viewing the spacious square against the floating clouds and sweeping red flags, I experienced a bright and joyous atmosphere, and the repression and gloom accumulated in me for years seemed to be instantaneously swept away by the warm spring breeze.

When I was back in Jiangxi, I told Father what I had learned from Uncle Beard.

As always, he just listened without saying a word; but the expression on his face showed that he was happy about it.

The concern of his old comrade-in-arms warmed his heart likewise.

Subsequently, we became familiar with Uncle Beard's household. The three Wang brothers and I would talk about almost all topics possible, and consulted each other over everything; we became bosom friends who could offer each other great help in times of difficulty.

In early 1973, Father was summoned to Beijing by Chairman Mao. Soon, Chairman Mao appointed Deng Xiaoping anew, and later granted him substantial power to command the party, the government and the army on the frontline.

From then on, our ties with the Wangs became even more frequent and closer.

Uncle Beard had the qualities of a general, and a broad vision; he was upright by nature, but was very strict and stern with his three sons.

Strangely, his three sons were all courageous and resourceful, with good reputations among their friends, but they were all scared of their father at home. I would often make fun of the three Wang brothers, saying: "You are three tigers outside, but three mice at home; you are scared only of Uncle Beard, the old cat."

Uncle Beard did not have a daughter, so I volunteered to be one. Whenever he was angry with his sons over something, I would go to his house and talk with him, smiling, then I would throw in a few words for his three sons. Uncle Beard would then smile and forgive his sons.

When I said that I would be a daughter to Uncle Beard, I regarded him as my own father at heart, too. Every time I went to see him, I would never tell him beforehand, nor would I knock at his door; whenever I entered the house and saw him, I would just smile at him. I knew that Uncle Beard was fond of me, and he was always glad to see me around.

Since my father was in charge of routine work, he had been duty bound not to turn back, and conducted

rectification in work of many aspects in a big way, being fearless of difficulties; at the same time, he waged resolute, uncompromising struggles against the "gang of four" headed by Jiang Qing. His bold actions were accompanied by swift results, but eventually angered the "leftist" forces.

In December 1975, a campaign to "repudiate Deng Xiaoping, fight the rightist evil wind of reversing correct decisions already made" was eventually launched, and Deng Xiaoping was actually suspended from all work.

Beard Wang was in a great rage when Deng Xiaoping was suspended from his work. He invited to his home several of his old comrades-in-arms, including Li Qiang [2621 1730], Wang Zheng [3769 6154], and Ye Fei [0673 7378], and poured out to them the anger in his heart. When he saw the central document on "repudiating Deng Xiaoping," he wrote such opposing words as "a hard-to-get qualified person," referring to Deng, right on the document. When he learned that the central authorities were relaying the decision on removing Deng Xiaoping from all offices, he was so angry that he was taken ill.

The year 1976 was one that filled people with anger and grief, and a most unforgettable year at that.

Our revered Premier Zhou Enlai was mentally and physically exhausted from serving the party, the state and the people, and passed away on 8 January.

The Chinese people, who had been driven beyond forbearance by the frantic "Cultural Revolution," gave vent to their grief and anger, which had been repressed for years, in the form of mourning Premier Zhou, whom they cherished from the bottom of their hearts.

It was Qingming, the traditional festival for the Chinese to sweep their ancestors' graves.

On 4 April that year, the activities of commemorating Premier Zhou were at their climax, and the whole of Tiananmen Square was turned into a white sea, a platform for wrathful censure of the "gang of four," and a battleground to resist "ultraleftist" errors.

On 5 April, the "ultraleftist" forces and the "gang of four" launched their brutal attack and suppressed the protesting masses.

On 7 April, Deng Xiaoping was removed from all offices inside and outside the party, and was once again under house arrest.

During that dark period, Uncle Beard was hospitalized because of illness.

He was hospitalized first because he had suffered excessive grief over the loss of Premier Zhou Enlai, whom he had always greatly respected and admired, but chiefly because of his wrath resulting from Deng Xiaoping's being overthrown once more. There was yet another reason, namely, Uncle Beard was clear about what to

love and what to hate, upright and straightforward, with a hot temper; when he was angry, when he felt something unfair had been done, he would protest, speak out loud, and curse! To protect Uncle Beard from being persecuted by the "gang of four," those who were close to him had kept him "under house arrest" and would not hear of his release from the hospital.

Uncle Beard was very stubborn; if he had not been hospitalized, he would certainly have spoken his mind; even if confined in the hospital, he would do it just the same.

He invited some of his old comrades to the hospital, and put it bluntly to them: "I want to go into the mountains and fight a guerrilla war! I challenge you to come along with me!" He asked some old generals: "How many troops can you take along with you? With how many rifles?"

When he failed to express his sentiments of extreme grief and wrath, he would shout: "I want to go to Tiananmen Square and deliver a speech before I commit suicide!"

Like all people across China, Uncle Beard's grief and wrath were so great that he could no longer repress them.

The wrath was like a volcano about to erupt with its lava bubbling.

It was 9 September 1976, another unforgettable date.

Mao Zedong passed away.

What would happen to China with the death of Mao Zedong?

Uncle Beard was filled with anxieties, and he called on Marshal Ye to discuss the matter with him. After that, the marshal asked Uncle Beard to make contact with other comrades.

Uncle Beard first visited Comrade Chen Yun. They discussed measures for handling the "gang of four."

From then on, Uncle Beard "shuttled" between Marshal Ye and Comrade Chen Yun on several occasions to discuss the plan for resolutely apprehending the "gang of four."

On 6 October, the "gang of four," who had committed heinous crimes, were finally punished by righteous forces.

The "gang of four" were apprehended; however, the "Cultural Revolution" did not conclude, and the campaign of "repudiating Deng Xiaoping" went on.

Uncle Beard was anxious about it, and anxious he really was!

Through his sons and me, he kept on sending all kinds of information to my father.

He went to see Marshal Ye Jianying, visited Vice Premier Li Xiannian, and talked with people of every

description, going around campaigning for Comrade Deng Xiaoping to come out to work as quickly as possible!

The order on my father's house arrest had not been entirely lifted when Uncle Beard rode in a car to Xishan to visit his old comrade-in-arms, no matter what the consequences would be.

But who had the audacity to bar Beard Wang from arriving in Xishan?

Uncle Beard and Father were having a long talk inside the room, and we children outside the room were very happy and excited at the occasion.

A central work conference was convoked in March 1977, at which Chen Yun proposed in a written statement letting Deng Xiaoping resume work. In his speech, Wang Zhen openly made the same appeal.

With one powerful voice of the whole party and people all over China, the Third Plenary Session of the 11th CPC Central Committee made the decision to restore Deng Xiaoping to all offices inside and outside the party. In its wake, the "Great Cultural Revolution," which brought disaster to China, finally concluded through contention between correctness and error.

At one point, when my father was still under house arrest, I was chatting with the three Wang brothers.

Wang Jun said: "Mao Mao, we have risked our lives to provide your father with information. One day, when your father resumes work, we should be rewarded with some official titles, too."

"What kind of official do you want to be?" I asked.

In the slow and steady manner of expression of his father, he said: "The women of China today are too powerful, and I want to be the director of women's work! I want to keep you women under control in the future!"

I told my father about it, and he laughed, saying: "That can be managed, and they can have whatever they want now!"

Later, I told Uncle Beard about it, saying: "Your son wants to be director of women's work, and my father has nodded agreement!"

This time, Uncle Beard was not angry at his son, but laughed a hearty laugh.

Should anything come up, Uncle Beard would always send for me.

In July 1981, my husband and I were back home from a vacation abroad. One day, Uncle Beard sent for me. When I entered the house, I found that Uncle Beard was very unhappy, for his face betrayed it.

He put it straightforwardly, saying: "Some people have moved to abolish all production and construction corps

in China! How can they be abolished! This is a powerful force in reclamation and production in China as well as a mighty reserve in safeguarding China's frontier! The decision to abolish production and construction corps as well as state-owned farms is erroneous!" He punctuated the above by thumping his stick on the floor.

He said: "Mao Mao, go tell your father, the construction corps and state-owned farms should not be abolished!"

Uncle Beard was really angry this time.

I had profound knowledge that the reclamation farms and state-owned farms in China were really a very important economic as well as defense force in China. I also had profound knowledge that China's reclamation farms had been opened up by close to half a million demobilized servicemen directly under Uncle Beard's leadership in the wilderness, on the hills, and along the frontier, with their hard work and sweat as well as Uncle Beard's own feelings and care instilled into them. The corps and state-owned farms were like Uncle Beard's own children. To abolish the corps and state-owned farms could be as painful as having some of his own flesh removed from his body!

In August that year, my father made an inspection tour of the northwest and Xinjiang, and was accompanied by Uncle Beard. They shared every leg of the journey, inspecting and contemplating together on their way.

In the wake of the inspection, the relevant leading comrade's move to abolish the production and construction corps as well as all state-owned farms was vetoed.

The production and construction corps and state-owned farms were opened up by thousands upon thousands of the corps' soldiers directly under Uncle Beard's leadership; again, it was through his speaking out of a sense of justice that they have been kept. Whenever I read about the tremendous accomplishments and bright prospects of China's reclamation farm undertakings, Uncle Beard's honest and upright image will flash across my mind.

One day in 1984, shortly after New Year, Uncle Beard sent for me. He was not angry this time, nor was he relaxed when I read his facial expression.

I took a seat and looked at him. It was quite a while before he said: "This special economic zone [SEZ]!"

He did not complete what he had in mind, and paused for a long time; I could see that he was unhappy.

"This special economic zone! Some people do not want it, saying that it is capitalist!"

Again, he punctuated his remarks by thumping his stick on the floor. Then, there was another pause.

"The special economic zone is built at your father's proposal; it is part of reform and opening up, and socialist in nature, and cannot be negated!"

Uncle Beard uttered one sentence after another, with an exclamation mark at the end of each!

He was greatly excited, and very solemn, because he believed that the SEZ's involved a cardinal matter of right and wrong and one of principle that had a bearing on China's reform and opening up.

Uncle Beard resolutely supported the policy of setting up SEZ's. Back in those early days, he had personally led close to half a million demobilized servicemen to be stationed at the frontier; today, he personally led a dozen or so ministers under the State Council, in the same spirit of being stationed at the frontier, the very same spirit of charging ahead in the vanguard, personally commanding his men, selecting projects, and giving orders so that the Shenzhen SEZ might possess the first batch of industrial and state-owned large projects to be the foundation for its takeoff.

Uncle Beard was the vanguard and pioneer in initiating the SEZ's; of course, he would not like it when some people held different opinions on the SEZ's.

Shortly before the 1984 Spring Festival, my father went south to make an inspection tour of the SEZ's, with Uncle Beard accompanying him. They went to Guangzhou, Shenzhen and Zhuhai. They inspected and contemplated throughout the journey, defending and cheering for the SEZ's.

Their southern inspection laid a deeper foundation for China's undertakings of reform and opening up.

Uncle Beard had deep feelings for the SEZ's, especially Shenzhen, Zhuhai and Guangdong [as published]. Here was the showcase for China's undertakings in reform and opening up; here, like Uncle Beard himself, was a pioneer of China's undertakings of reform and opening up.

From the very moment the SEZ's were initiated, Uncle Beard was there. At the very last minute of his life, he was there, too. He was forever in the vanguard of reform and opening up.

There were numerous occasions when Uncle Beard sent for me, and the topics we discussed are too numerous to count.

Yes, once he sent for me to talk about the Three Gorges construction. He said: "We have discussed and demonstrated the Three Gorges project for so many years now; we must plan for the happiness of our future generations! We can't afford delay in building the Three Gorges project any longer! Otherwise, we would miss the opportunity! We will be letting our future generations down!"

There was a pause after the completion of every sentence as always, uttered in all his earnestness as always, with an exclamation mark toward the end of every sentence as always!

Uncle Beard was anxious about the project! He did not like the idea of the absence of a decision after all those

discussions, and the absence of action when there was a decision. Then he would have to see the waters running in this ancient river, unable to work for the people's happiness; he was afraid that it would become his regret of a lifetime!

On another occasion, Uncle Beard sent for me.

That time, he smiled, but then in all his seriousness he said: "The Hongshui He is to be developed!"

In a strong Hunan dialect accent, he said: "During the Baise Uprising, your father engaged in revolutionary activities in Guangxi, and he has feelings for Guangxi! Presently, Guangxi people are still very poor! The Communist Party should not let them down! When the Hongshui He is developed, with a hydropower station built, Guangxi people will become well-off! Go home and report the matter to your father; he once fought in Guangxi, and he will certainly support the project!"

This time, Uncle Beard was not excited, nor was he angry, but there was deep feeling in his words; likewise, there was an exclamation mark toward the end of every sentence.

Uncle Beard cared for too many things!

He cared for reclamation farms, the SEZ's, the Three Gorges project, the Hongshui He project, the construction of Hainan's Yangpu Development Zone, the secondary and primary education undertakings, the development of minority nationalities, the state's major principle for government, the major plan for successors to the party's cause, and the great cause of building a prosperous and powerful China.

Uncle Beard was strict with himself; he had never set great store by personal fame and gain, and never cared for personal enjoyment of life. After he passed away, many people who came to his house to express their mourning said in great surprise: "We couldn't imagine that China's vice president, one of the PRC founders, and a person who had rendered extraordinarily meritorious service to the state with a high reputation would have lived in such a simple and narrow place!"

Uncle Beard was frank and open-hearted, and it had never been his style to conceal his views. He took a clearcut stand, was clear about what to love or otherwise, and hated the wicked like enemies. He safeguarded the cause of the party and the state like his own life, and hated speeches and actions at the expense of national dignity and humiliating China and the Chinese from the bottom of his heart, and would speak his mind against them.

Uncle Beard was selfless and fearless, and for the cause of the party, the revolution and the state, he was always in the vanguard, pressing forward with an indomitable will. He was in the vanguard in wartime; he was there during the period of construction; and again he was in

the vanguard in reform and opening up. So long as he was still alive, he remained in the vanguard and set an example for the troops.

Uncle Beard cherished his country, the people and the party. He performed the pledges and obligations of a Chinese and a CPC member with utmost loyalty throughout his lifetime of fighting and never-ending practice.

Uncle Beard had extremely strong and stubborn vitality.

He had suffered from cancer, burned his bladder on more than half a dozen occasions [as published], and suffered extreme pain; finally he overcame the cancer and conquered death.

Uncle Beard slipped at the age of 82, and suffered fractures. He slipped because he had been in a hurry to support another old comrade-in-arms who was about to fall. In the event, he himself slipped and suffered fractures of the thigh and the neck. Consequently, he was confined to bed for six months, and the pain was quite beyond a young person. However, Uncle Beard managed to recover, and was eventually back on his feet. We children praised him, saying that he was "a good old man who has sacrificed himself for the sake of others!"

Uncle Beard was stubborn and of an impatient disposition. He was seriously ill last year, and a tracheotomy was involved; however, he just would not accept it and lost his temper. Both the doctor and Uncle Beard's family were at their wits' end, and sought our help. Any matter concerning Uncle Beard was the concern of our own family. My mother and I promptly went to the hospital, and she said to Uncle Beard: "Comrade Xiaoping cares for you a great deal and sends you his regards; he wants you to follow the doctor's orders." At that time, Uncle Beard was unable to speak; he nodded and gestured to his secretary to fetch him some writing paper and a pen; then, slowly and steadily, with his shaky hand, he wrote, one stroke after another with the greatest care, the following words: "I respect Chairman Deng's order!" Like a veteran soldier in wartime, he obeyed another "order." Consequently, he conquered his illness miraculously, and was released from the hospital; furthermore, he went to the south by plane, and arrived at the forefront of reform and opening up.

Uncle Beard has left us.

He was on his way back to Hunan and Jiangxi, on his way back to Yanan, Beidahuang, and the SEZ's.... he wanted to return to Xinjiang, which he personally emancipated, brought under cultivation, and built; he wanted to stay forever with the people of various nationalities in Xinjiang.

Uncle Beard is gone.

Nevertheless, his legendary life, his voice and vivid features are still with us, close to us, and will always live in our hearts.

Time may wash away historical traces, but will never wipe out the permanent commemoration in people's minds.

Uncle Beard is no more.

However, he will always live together with the People's Republic of China. He will always be together with his motherland, his people as well as China's bright prospects.

Revolutionary Chen Zaidao Dies

OW1304121893 Beijing XINHUA in English 1201
GMT 13 Apr 93

[Text] Beijing, April 13 (XINHUA)—The following is a brief account of the life of Chen Zaidao, a faithful Communist soldier and proletarian revolutionary and strategist who died in Beijing on April 6, 1993 at the age of 84.

Chen is a former member of the Central Advisory Commission of the Chinese Communist Party, advisor of the Central Military Commission, and vice-chairman of the Sixth National Committee of the Chinese People's Political Consultative Conference.

On January 24, 1909, Chen was born into a poor peasant family in Magang township of Macheng city in central Hubei Province. He became a revolutionary when he was young. Chen joined in several armed farmers' uprisings before he joined the Communist Party in August 1928.

Since then, Chen served bravely as a soldier and officer in the Communist party-led Red Army. During the world-famous Long March in the mid-1930s, Chen, then a commander of the Fourth Army of the Red Army, played an important role in safeguarding the unity of the party and the Red Army.

During the Anti-Japanese War (1938-1945), Chen participated in many key battles against Japanese invaders and puppet troops backed by the Japanese Army.

In the Liberation War (1945-1949), Chen, then commander of an army under the Zhongyuan Field Army headed by Liu Bocheng and Deng Xiaoping, made great contributions to eliminating Kuomintang troops. He was appointed commander of the Henan Military Area Command in February 1949.

Since the founding of the People's Republic in 1949, Chen served in many important military positions including commander of the People's Liberation Army (PLA) Wuhan Military Area Command and commander of the PLA Railway Engineering Corps.

He was granted the military rank of general in 1955.

Young Adults Adopt New Attitudes on Birth, Marriage*OW1404025893 Beijing XINHUA in English 0138
GMT 14 Apr 93*

[Text] Shanghai, April 14 (XINHUA)—For the elder generation of the Chinese people, the old sayings of "more children, more good fortune" and "early birth, early luck" are right, but for today's youngsters, they are not.

Over the past two decades, the Chinese people, especially young couples, have experienced ideological changes on marriage and birth.

According to the latest survey by the State Family Planning Commission, currently the average age for young people to marry is nearly 24 years old, compared with 20.82 in 1970.

In the same period, the survey shows, the percentage of girls who get married before the age of 18 has gone down to the present 3 percent from 40.6 percent, and in cities, it is merely 1.5 percent.

Shanghai, the largest metropolis in the country, boasts the oldest average ages for men and women to tie the knot. In the city, men marry at 28.8 and women at 26.8.

Since the '70s, China has implemented the "one couple, one child" policy, which has caused a sharp rise in "one-child" families, with the percentage growing from 20 percent in 1970 to 52 percent now.

In 1950s, Chinese women gave birth to an average of 5.87 children, but in the '90s, the figure has dropped to 2.31.

Currently, the country has 1.18 billion people, and the goal for the turn of the century is to prevent the population from exceeding 1.294 billion.

A survey conducted in Tianjin municipality found that 59.3 percent of locals believe it most ideal to have only one child in a family, while another investigation among residents in eastern Jiangsu Province shows 77.84 percent of local women want to have one child.

In Tianjin, the majority of local couples attached great importance to strengthening relations between wife and husband and creating a better atmosphere in a family, and meanwhile, only 18.1 percent of the inquired said their major goal is to foster younger generations.

In Shanghai, 56 percent of the newly-wedded plan not to have a child within a few years. However, 27 percent of them change their minds due to heavy pressure from elders who still hold the view of "early birth, early luck".

Guo Youning, a researcher at the Shanghai Family Planning Institute, pointed out that along with the improvement of people's living standards, it will become a trend for youngsters to marry at an older age and to have fewer children.

The trend will relax the tension caused by the rapidly increasing population in the country, Guo said.

Military**Deng Xiaoping Writes Inscription for Exhibition***OW1304194393 Beijing XINHUA in English 1526
GMT 13 Apr 93*

[Text] Shanghai, April 13 (XINHUA)—Deng Xiaoping has written an inscription for the name of the exhibition center of the People Liberation Army's Good Eighth Company on Nanjing Road in Shanghai.

The center is to reopen soon after expansion and renovation.

The company is known nationwide for maintaining the PLA's tradition of hard work and plain living in bustling Shanghai.

On display at the center will be pictures showing the late Chinese leaders Zhou Enlai and Zhu De, as well as Chinese leaders Deng Xiaoping, Chen Yun, Jiang Zemin and Li Peng meeting with officers and men of the Eighth Company, as well as their inscriptions.

A total of 247 photos and nearly 100 objects at the center will feature what the company has done in Shanghai since the founding of New China in 1949.

The center, located in a suburban area in Shanghai, has been visited by 10 million people since its inauguration in 1963.

Military Plants Increase Cooperation With Coast*OW1304081293 Beijing XINHUA in English 0739
GMT 13 Apr 93*

[Text] Haikou, April 13 (XINHUA)—Co-operation between defense industry plants, mostly located in inland areas, and the coastal areas, which have achieved rapid economic development in recent years, has been expanding.

At a fair in this capital of Hainan Province, south China, more than 140 military plants from eight provinces in the interior areas of the country and over 500 enterprises from 21 coastal cities and provinces were represented.

The fair, which ran from April 7 to 10, was sponsored by the State Planning Commission and a State Council Office.

The two kinds of plants exchanged views on co-operation in over 290 projects of machine-building, electronics, textiles and some other high-tech and technology-intensive fields.

A total of 98 contracts and letters of intent were signed at the fair involving an investment of 400 million yuan.

(about 70 million U.S. dollars) and foreign currency of over 10 million U.S. dollars. The contracts include joint production of light planes.

The co-operation between the military plants and the coastal areas is mainly in the form of setting up firms in coastal areas through which the military plants can seek overseas investment, form joint ventures and attract funds from the coast to the inland areas.

Currently, the defense plants, once closely guarded, are making great efforts to open wider to the outside world and upgrade their capability to produce goods for civilian use, as they boast probably the best technology, equipment and trained personnel in the country.

Economic & Agricultural

Meeting on Rural Growth, Prosperity Held

Li Peng Meets Participants

HK1304032093 Beijing XINHUA Domestic Service in Chinese 1413 GMT 12 Apr 93

[By Liu Zhenmin (0491 2182 2404), Central People's Broadcasting Station reporter, and XINHUA reporter Ji Bin (1213 2430)]

[Text] Beijing, 12 Apr (XINHUA)—State Council Premier Li Peng has said: Realizing a comparatively well-off standard of living for the rural population of approximately 900 million people is one of the major strategic objectives that we are striving to achieve. Agriculture and work in the rural areas has an important bearing on the governing of the country and on the prosperity of the nation. Without the development of agriculture, the national economy as a whole will not be able to prosper; without stability in the rural areas, there will be no stability in society as a whole; without the development of the rural economy, the national economy as a whole will not grow rapidly; without raising agriculture and the rural economy onto a new stage, we will not be able to raise the national economy as a whole to a new stage; without a comparatively well-off standard of living for 900 million rural people, one cannot begin to talk about a comparatively well-off standard of living for the entire nation.

Early this afternoon, Li Peng, along with leading State Council comrades such as Zhu Rongji, Chen Junshen, and Luo Gan, cordially met with participants in a national symposium on securing a comparatively well-off standard of living for the rural people. A group photo was taken to mark the occasion. Those attending the meeting are mainly responsible officials from more than 100 counties and cities where the per capita annual net income of local peasants has exceeded 1,000 yuan.

Li Peng said: Agriculture is the foundation of the national economy. The countryside issue has strategic importance for the entire national economy, because the

rural population forms the main body of the Chinese population. Therefore, it is of great significance to secure the sustained development of agriculture and the rural economy and strive for a comparatively well-off standard of living for the broad peasantry. He said: Realize a comparatively well-off standard of living for the rural population is not simply a theoretical issue, but is, more importantly, a practical issue. He expressed the hope that the comrades attending the symposium would exchange their experiences, conscientiously study various issues in connection with practice, and sum up experiences which have universal guiding significance, thus promoting rural reform and economic construction in various localities and their efforts to explore ways to realize a comparatively well-off standard of living.

Li Peng mentioned the issue of current agricultural development. He said: Agriculture must not be neglected at any time and in any circumstances. Of course, here, agriculture refers to the concept of mega-agriculture, which includes the comprehensive development of farming, forestry, animal husbandry, sideline production, and fishery. It also naturally includes the production of such major farm products as grain, cotton, and cooking oil. At present, peasants are not enthusiastic enough about growing grain crops and cotton. We have gradually adopted a series of policies and measures for protecting the interests of the peasants, arousing their enthusiasm for producing grain and cotton, and thus promoting the development of agriculture and the rural economy. At the same time, we should strengthen leadership over agriculture with a view to achieving high yields, good quality, and high efficiency. It is also necessary to properly process grain and other farm produce, thus raising their value, and to promote the development of township and town enterprises. He stressed that all localities should conscientiously study and explore concrete methods for realizing a comparatively well-off standard of living for the rural population.

Li Peng said: Striving for a comparatively well-off standard of living for the rural population is not only a task in building material civilization but is also a task in building spiritual civilization. If society has better food, clothing, housing, and other material comforts, but ugly and evil phenomena such as gambling and feudal superstitious activity are still spreading and family planning cannot be properly conducted, then the peasants will still be unable to live a happy life and it will still be impossible to enhance their cultural and moral quality. Therefore, when dealing with the issue of realizing a comparatively well-off standard of living for the rural population, various localities should not only give consideration to building material civilization but should also give consideration to building spiritual civilization.

Li Peng also said: Unevenness in economic development is a common fact in the development of countries throughout the world. Due to different historical and natural conditions and different levels of development, it is normal for development gaps to exist between localities. You, these more than 100 counties, represent

the advanced localities. The party's policy is to allow some localities and some people to get rich ahead of others. At the same time, those localities that have become successful first are also responsible for promoting the common affluence of the entire country. This does not mean that money will be taken from rich areas. In fact, one can still find gaps between townships and between villages even in the comparatively rich counties. There are also differences in development levels from one area to another. Therefore, we also have to deal with the issue of uneven development. He said: The fundamental way to solve the problem of unevenness is to further develop the economy as a whole.

Li Peng said: The government supports the development of the individual or private economy. At present, it does not hold a large proportion in the country, but it plays an important role in many areas of the national economy. At the same time, we should also note that unfairness has appeared in the distribution of social wealth. We should conduct rational adjustments through state policies, including the tax policy. Those who have become rich through legal activities and hard work will be encouraged, but control over illegal business activities will be strengthened, and punishment will be meted out according to the laws. He said: Ours is a socialist country, so it is necessary to ensure that social distribution is very fair, and we must ultimately realize common prosperity.

Yuan Mu Speaks

OW1404111693 Beijing XINHUA Domestic Service in Chinese 1308 GMT 12 Apr 93

[By reporter Ji Bin (1213 2430) and trainee Zhao Lei (6392 7191)]

[Text] Beijing, 12 Apr (XINHUA)—A seminar to sum up experience in enabling the rural population to live a more comfortable life was jointly held by the State Planning Commission, the Ministry of Agriculture, and the State Council Research Office in Beijing today. Representatives from more than 100 counties (cities) of which the per capita net income of peasants has exceeded 1,000 yuan attended the seminar to sum up and exchange their experiences; to study the problems in enabling the rural population to live a more comfortable life; and ways to solve these problems.

Today's meeting was presided over by Agriculture Minister Liu Jiang. Yuan Mu, director of the State Council Research Office, delivered a speech on this special topic.

Since the Third Plenary Session of the 11th CPC Central Committee, the country's rural areas have taken the lead in implementing reforms, scoring the most brilliant results in the country's sweeping economic reform and development with achievements that have attracted worldwide attention. While rural areas across the country were working to satisfy their basic daily needs, a number of counties with abundant resources, favorable conditions, and a pioneering spirit have begun to take

the lead in marching toward the goal of living a more affluent life. As of 1992, the per capita net income of peasants in more than 200 counties (cities)—about 100 more than in 1991—across the country exceeded 1,000 yuan. The more than 100 counties participating in the current seminar are representatives of this group.

Yuan Mu said: The purpose of this meeting is to sum up advanced counties' experiences in becoming better off; to study the new situation and problems in rural work in the new historical development period; and to call society's attention to agricultural and rural work, as well as to the peasants' income, in order to enable agriculture to develop more rapidly.

Yuan Mu said: In the course of accelerating economic development, the rural economic situation is very good in general. However, some problems exist: The industrial growth rate has far exceeded the agricultural growth rate, widening the gap between the income of urban and rural residents—the ratio of urban and rural residents' income was 2.3:1 in 1992, while it was 1.7:1 in 1985. Market development in urban and rural areas is out of pace and the sluggishness of rural markets has not been fundamentally improved. Due to rapid economic development, a tendency to neglect agriculture and peasants' interests to varying degrees has emerged in some localities and departments. These problems have undoubtedly created new difficulties in raising agriculture to a new level and to enabling the rural population to live more comfortably. Yuan Mu stressed: Rural areas are the center as well as a difficult point in our country's efforts to enable its people to live a relatively comfortable life. The whole country will be unable to enjoy a relatively comfortable life if rural areas are unable to do so.

Yuan Mu said: The experiences of advanced counties who have led others in becoming better off have greatly inspired us, and have great practical and historical significance for the country's agricultural and rural economic development. He analyzed the features of these advanced counties' developments: The average annual growth of these counties' total social output value is far higher than the country's average; these counties have made historical changes in the setup of their primary, secondary, and tertiary industry—they have initially industrialized themselves while steadily developing agriculture; the per capita net income of these counties' peasants has exceeded 1,000 yuan; and villages, towns, and various social undertakings in these counties have developed rapidly.

Yuan Mu said: The reason that these counties have been able to develop by leaps and bounds of course has something to do with the improvement in the greater economic environment and with their own objective conditions. However, their most successful experience is that they have followed Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; have emancipated their minds; made bold explorations; firmly advanced market-oriented reforms and

opening up; organically integrated the central authorities' principle and policies with local realities; conducted work in a creative manner; and have been given a free hand in developing a socialist market economy, thereby liberating and developing their productive forces in a better way. Yuan Mu specifically analyzed the common law of their development:

- They have nurtured and established large numbers of vigorous key economic establishments of various forms that have served as a pioneering force for developing a socialist market economy—this is the primary experience drawn from their success. Not only have collectively-owned township and village enterprises in these counties developed rapidly, but individual, private, and joint enterprises and other economic setups have also done so. These enterprises have made relatively good use of their respective advantages and played a role in advancing the socialist market economy.
- They have consistently and actively nurtured and developed various kinds of markets, and have done this in a more resolute, self-conscious, and bolder manner than other localities have—they have encouraged large numbers of peasants to play a role in circulating commodities, and enabling peasants to become a main force in market operations; they have focused on developing specialized and wholesale markets based on their respective speciality industries; they have improved market management and established market transaction regulations and worked to refine them; and they have improved local facilities and provided good services to attract businessmen from all localities to engage in production, construction, and commercial activities in their counties. In short, they have established many effective ways for developing markets.
- They have insisted on doing things in the light of local conditions, enabling them to gradually develop industrial structures that can make good use of local resources and to find development methods with their own characteristics. The most basic of these methods is to develop high-yield, high-efficiency, and high-quality agriculture and village and town enterprises, enabling them to gradually develop an industrial setup that uses high-yield, high-efficiency, and high-quality agriculture as the foundation and village and town enterprises as a leading force.
- They have forcefully advanced opening up to other localities as well as to the outside world, established extensive lateral economic associations, done everything they can to establish cooperation with domestic and overseas units, and effectively integrated their efforts to deal with other localities with efforts to contact the outside world, enabling their economies to develop rapidly.

Yuan Mu said: We can learn a lesson from the advanced counties that have led the way in becoming better

off—that is, because big differences exist between the natural, economic, and social conditions in different parts of the country's rural areas, in working to enable the rural population to live a more affluent life, we must seek development methods that suit local conditions.

Yuan Mu said: Only seven years are left before the year 2000; we do not have much room for maneuver. Enabling people to live a relatively comfortable life before the turn of the century is a pressing as well as formidable task. Therefore, we should have a sober understanding of this task, and should have a strong sense of responsibility and urgency. Although this task is arduous, it is not impossible. The success of advanced counties proves that it is hopeful rural areas across the country will become better off as planned, as long as we do things in the light of local realities, are courageous in opening up new spheres of endeavor, are creative, and make good use of each locality's advantages. To attain this goal, we should be full of confidence and should work in a down-to-earth manner, in order to find development methods with local characteristics in the great practice of enabling the rural population to live a relatively comfortable life.

Yuan Mu also expressed his opinions on how to learn from the advanced counties' experiences, how rural areas across the country can quicken the step toward a more affluent life, how the advanced counties can make further progress, and how to strengthen county-level authorities' leadership over rural areas' efforts to become better off. He said: Currently the entire situation of the country's economic development, reform, and opening up is encouraging; this provides a good objective environment and opportunity for quickening the pace of enabling the rural population to live a relatively comfortable life.

Ministry To Send Cadres to Rural Areas

OW1404062593 Beijing XINHUA Domestic Service in Chinese 1119 GMT 10 Apr 93

[By reporter Pu Liye (5543 4539 2814) and trainee Zhao Lei (6392 7191)]

[Text] Beijing, 10 Apr (XINHUA)—Liu Jiang, the newly elected minister of agriculture, announced today that the ministry will send 554 cadres and administrative officials to go down to the grass roots in rural areas starting in mid-April to conduct investigations and studies and to work with peasants in selected spots. This is a major project so the ministry can implement, as soon as possible, the central authorities' policy on strengthening agriculture.

Since the end of last year, the party Central Committee and the State Council have issued a series of policies and measures to ensure sustained development of the rural economy and agricultural production. To truly implement the policies, the Ministry of Agriculture has decided to organize cadres to immediately go down to the grass roots in rural areas and to the forefront of

agricultural production to earnestly conduct investigations and study, to acquire first-hand information about new situations and problems cropping up in reform and development of the rural economy, to assist local governments to effectively implement various agricultural policies, and to give important feedback to the central authorities and relevant departments without delay. These cadres will investigate, understand, and assist selected units in their implementation of policies and measures issued at this year's national meeting on announcing policies and placing orders for grain production and marketing and the national cotton work meeting; they will also investigate, understand, and assist selected units in their implementation of the central authorities' emergency circular on truly reducing farmers' burdens.

It has been learned that the cadres dispatched by the Ministry of Agriculture will form 49 investigation groups and go to 26 provinces and regions, focusing mainly on grain and cotton production areas, while also investigating the situation in other lines of rural production. The investigation at selected points will last two and one-half months.

At today's meeting on mobilizing cadres to go to the countryside, Minister Liu Jiang said: To concentrate our energy on carrying out this project, the Ministry of Agriculture has adjusted its original work arrangements and decided to suspend the study tour abroad by 11 groups and the convocation of some 40 general administrative meetings.

Liu Jiang said: It is better to have one actual job done than issuing 10 statements for discussions. He hoped that cadres who will go to the grass roots this time will imbue themselves with the spirit of reform and pragmatism and really submerge themselves in work. They should acquire information from peasants at the grass roots, analyze existing problems in an earnest and realistic way, and help local governments implement various policies step-by-step and in a solid manner.

Internal Trade Minister on Tasks, 'Large Market'

*OW1404064793 Beijing Central Television Program
One Network in Mandarin 1100 GMT 10 Apr 93*

[From the "National News Hookup" program]

[Text] On the morning of 6 April, Zhang Haoruo, minister of internal trade, called his first meeting of cadres at and above the departmental and bureau level, shortly after he assumed his new office. Upon being informed of the meeting, a CCTV reporter rushed to the meeting and interviewed Minister Zhang when the meeting was over. [video shows a meeting held in a large conference room with long, narrow desks and benches; camera zooms in to show medium close-ups of Zhang Haoruo, the new minister of internal trade, addressing audience]

[Begin recording] [Reporter] Minister Zhang, as result of the State Council's organizational reform, a new ministry, the Ministry of Internal Trade, has been established. Would you please tell our viewers why is it necessary to establish such a ministry?

[Zhang Haoruo] The establishment of this ministry is not a simple merger or combination of the former Ministry of Trade and Ministry of Materials and Equipment. The establishment of this ministry is for the purpose of pushing capital goods and consumer goods to the national market more effectively and enlivening the distribution of these goods.

[Reporter] Speaking of this national market, you told some reporters recently that one urgent job the newly established Ministry of Internal Trade has to do is to change people's mindsets and nurture the market. What sort of a market you were referring to?

[Zhang Haoruo] I think that one requirement in building a large market [da shi chang] and promoting distribution is to end the traditional way of dividing spheres of distribution according to the nature of products. At the same time, we must remove the barriers between regions set up in the distribution sphere. Naturally, this large market also comprises the commodity market, the money market, the technology market, the information market, the real estate market, the labor market, and so forth. The commodity market, however, is the basic market. Only when there is a very well-developed commodity market can we have support for the construction of other markets.

[Reporter] What solutions do you have for dealing with certain unsatisfactory phenomena in distribution that have evoked strong reactions from the masses?

[Zhang] We have to establish market regulations so that there will be norms governing the conduct of market transactions. This is one important project our new ministry has to accomplish.

[Reporter] We understand that you studied chemistry at Qinghua University.... [end recording]

Minister Zhang told the reporter that he has worked for the State Petroleum Administration, the Lanzhou Oil Refinery, the Production Department under the Ministry of Petroleum, the Planning Department of the Ministry of Chemical Industry, the Science and Technology Office under the State Energy Commission, the China National Petrochemical Corporation, the Ministry of Foreign Economic Relations and Trade, Sichuan Province, and the Ministry of Light Industry. Without a doubt, these many years of experiences of working at grass-roots units must be very useful to him.

[Begin recording] [Reporter] What is your usual work style?

[Zhang] I like to do things which are useful and practical, and I want assignments be accomplished efficiently and quickly. [end recording]

Departments Work on Remittance 'Difficulties'

OW1404045493 Beijing XINHUA Domestic Service in Chinese 0936 GMT 9 Apr 93

[By reporter Wang Yanrong 3769 1693 2837]

[Text] Beijing, 9 Apr (XINHUA)—Difficulties in some areas in cashing remittance slips, known as "green slips," have once again attracted the attention of party and state leaders. The Ministry of Posts and Telecommunications, the People's Bank of China, and other relevant specialized banks held a joint emergency telephone conference today to solve difficulties in cashing postal remittance slips.

It is understood that the cashing of postal remittances has been a problem in some areas in our country since the beginning of July 1992. The areas with more serious problems included Sichuan, Hubei, Hunan, Henan, Anhui, and Jiangxi Provinces. During the peak remittance period before the Spring Festival, remittances waiting to be cashed were worth about 2 billion yuan, and had become a "green slip" problem attracting the attention of all sectors of society. Although posts and telecommunications departments and other relevant banks adopted contingent measures to alleviate the problem, it has reemerged since the festival and is spreading. For example, in Longhui County, Hunan Province, most of the posts and telecommunications offices have suspended money remittance services for two months because of a cash shortage.

Liu Pingyuan, vice minister of posts and telecommunications, pointed out: There are many reasons why there have been difficulties in cashing remittances: there has been a sharp increase in the amount of postal money orders, there is a problem of managing exchange funds, and there is also a problem caused by the irrational system for exchange fund settlements adopted by existing posts and telecommunications departments. After consulting with the People's Bank, the Ministry of Posts and Telecommunications has decided to adopt an emergency measure to quickly solve the problem of cashing remittances, which is most serious in 53 county (city) posts and telecommunications offices. The county People's Bank will provide the funds, and the county posts and telecommunications office will deliver the cash directly to other branch posts and telecommunications offices. Pending cash remittances can be completed in seven days.

At today's telephone conference, Tong Zengyin, vice president of the People's Bank of China, called on people's banks, industrial and commercial banks, and agricultural banks at all levels to heed the overall interests and to coordinate in effectively solving difficulties in cashing postal remittances. He said: People's banks should increase cash allocations to the counties experiencing greater difficulties in this matter. The county People's Bank should provide convenience when the county posts and telecommunications office comes to withdraw cash.

Article Discusses China's Car Industry, GATT

HK1404071293 Beijing GUOJI SHANGBAO in Chinese 27 Mar 93 p 3

[By Geng Zhaojie (5105 2507 2638): "Where Is the Road Leading to China's Readmission to GATT?"]

[Text] The future and fate of China's auto industry after China is "readmitted to GATT" is a major topic of conversation which has attracted the attention of people from all walks of life. People are both happy and worried. However, from a short-term point of view, they are more worried than happy.

"Readmission to GATT" means that the Chinese auto industry will face an international race with rivals of different calibers. In 1992, China's yearly car output topped the 1 million mark for the first time. However, this was less than one-third of that of a large overseas auto firm. The investment which a large overseas auto firm spends in development a year is equal to the total value of the Chinese auto industry's fixed assets. We can hardly be the rival of such a firm, and after the "readmission to GATT," we will face the attacks launched by many "giants." Therefore, China's auto industry will undergo the severest test in its history of development.

The test cannot be avoided. Through 100 years or so of development, the auto industry has become a global industry, and market globalization is an objective reality. High technological intensiveness has formed a set of international standards which should be observed by various countries. The inherent laws governing the development of the auto industry, such as being technology and capital intensive and seeking an economic scale, are applicable to all countries without exception. If one makes and sells cars behind closed doors, one will never enter the threshold of modernization forever. The world auto industry has only one track of development. "The Yan Xishan-type railways have to be removed. Joining the international track of development is an historical necessity. How should it be done? How should we choose the road leading to China's "readmission to GATT?" As a newcomer in the world auto industry, China must base itself on its own national condition and conscientiously consider this issue and adopt measures to counter it by putting itself in an international competition environment. Foreign cars are sold in our markets, and our auto industry should strive for a share in the international market. Only when we enter the internal market with our cars can there be a way out for our cars. "Readmission to GATT" means gradually tearing down tariff barriers. To what extent a country should reduce and exempt its tariffs is necessarily correlated to its ability to export its products. With a complete passive defense, it is impossible to score successes in international competition. While considering the inroads of foreign cars in our country, we should consider how to enter the international market with our own cars. The medium-duty car is a latent strong export item among China's auto products. Tongfeng [Automobile Work,

which has ranked among top 10 automobile works in the world in terms of medium-duty truck output, is a world-class large medium-duty truck manufacturer. The work can match its overseas counterparts in product level and quality. Five years ago, compared with foreign brand name cars, half of the indexes of CA 141's turned out by the First Automobile Work of Changchun occupied a leading position. In terms of cost price, a Chinese-made medium-duty truck is only two-thirds or a half of the international market price. It is precisely because of this that the First Automobile Work has exported its trucks to more than 10 countries and regions and begun to take the first step in building plants overseas. The first batch of CA 141's it manufactured on the African Continent has been sold on the market. Moreover, there are possibilities to export heavy-duty trucks, buses, components and parts, and semifinished casting and forging products. We should better support the manufacturing of these strong items and enhance their competitiveness. China's auto industry will gradually get itself involved in the international circle as foreign cars are sold in Chinese markets and Chinese cars are sold in overseas markets.

When it comes to the auto industry, China and other countries have their own strong points. China should play the low-price card well as its strong point. International competition is a competition in all areas such as product level, quality, cost price, and sale service. No country will have an entirely absolute strong point. Bringing one's strong points into play and offsetting one's weaknesses is an important measure with which to get involved in competition and score successes. Because South Korea's auto industry got off to a late start, beginning in the 1970's, and even today it has lagged behind the United States, Japan, and Europe by seven to eight years in terms of product level. However, it has relatively cheap labor. The price of cars of the same type is just equal to two-thirds of the international market price. So, every year, it manages to export about 40 percent of its total car output. South Korea's experience is worth using for reference. In the price-oriented market environment, cheap labor is China's conspicuous strong point. Calculated on the basis of the amount of wages in every car's cost, China's labor is, in general, equal to one-fifth to one-seventh of that of other countries. Nevertheless, what merits attention is that this strong point is more often than not offset by backward management and poor operation. Practicing the "mode of production stressing better efficiency" is the best way to preserve and give play to this strong point. By adopting this advanced mode of management, the Gearbox Plant under the First Automobile Work has managed to double its productive capacity and labor productivity in less than two years. Compared with overseas gearboxes of the same type, the plant's gearboxes are more than 50 percent cheaper in price. This shows that so long as we bring our latent strong points into play using better management and strive to achieve the high efficiency attained by Japanese and South Korean car manufacturers, not only will our products be able to hold fast in

the domestic market, it is also entirely possible for them to enter the international market.

The manufacturing and marketing of cars in each other's country has made two rivals of competition a cooperative partnership. As the world auto industry develops to the extent it exists today, there is both competition and alliance among countries. A company may possibly own capital in many countries and a car may possibly be the product of the use of various countries' advanced technologies. Strengthening international cooperation is equally a way out for China's auto industry to usher in the "readmission to GATT" and accelerate its involvement in the international market. The 150,000-limousine production base jointly set up by the First Automobile Work and Germany's Volkswagenwerk has turned the two major car groups into an entity of interest. Germany's advanced technology and expertise have enabled the project to take off at a higher starting point. After the project is completed, 15 percent of its products will be sold in international markets through the Volkswagenwerk's sales systems. It is precisely because the relationship of cooperation was based on common interests that in the new situation in which China is confronted with the issue of "regaining GATT membership," the cooperation between the two parties has grown closer. Recently, the Volkswagenwerk suggested that both sides establish a product development center and set a new goal which requires that the products made in China should be identical in level with those manufactured by the company and new products should be marketed just one year later than those of the company so as to meet the competition following China's "readmission to GATT." Apparently, choosing partners, opening up new avenues of cooperation, and joining the ranks of transnational corporations is nothing but an important move with which to usher in China's "readmission to GATT."

What counts in this regard is to foster exceptionally large national car industrial groups able to compete internationally. The international competition facing the auto industry is manifested, in a concentrated way, in competition between the representational major auto firms of various countries. It would be better to have a few tigers than raise a flock of sheep. Production is highly concentrated in the car-industry-developed countries. The car output of one to three major auto firms in such a country constitutes more than 80 percent of the country's total. The two-work or three-work concentration level [ji zhong du 7162 0022 1653] has become an important indicator for weighing whether the auto industrial organizational structure has reached contemporary levels. China, which has 125 auto works and firms, ranks first in the world in this regard. However, the production concentration levels of the First and Second Automobile Groups dropped from 58 percent 10 years ago to 30 percent at present. As a result, large auto manufacturers cannot become large in the true sense and small ones have become too numerous in number. However, none of them has the ability to compete in the

international market. At present, for an enterprise group to be qualified for international competition, it should have an annual output of 1 million cars and a sales volume of \$1 billion, and 5 to 10 percent of its products should be sold overseas. Moreover, it should have the ability to independently develop new products and set up a 300,000-limousine work. To establish an enterprise group on such a large scale and score successes in competition with various large transnational corporations in the world, it is impossible to rely on the efforts of enterprises alone. The state should become the backing of enterprises. At present, the newly developed countries are more often than not confronted with the obstinate control and pressure of developed countries. Under these circumstances, we should all the more give play to the socialist system's strong point of concentrating forces to undertake something big, and set up two or three "national teams" able to compete internationally, with powerful state support. In this regard, what needs to be stressed in particular is enhancing the auto industry's ability to develop independently, an ability that money cannot buy. Without the ability, it cannot be considered a national auto industry and will always be under others' control. Only when the industry develops new products really independently can it have the greatest vitality. Since the auto industry involves almost all basic industries and high technology industries, the state should establish a special fund—just as the United States worked out the "Apollo" moon-landing plan during that era—and organize various forces to scale this height of strategic significance.

Thanks to reform and opening up to the outside world, China's auto industry has made rapid progress. If we turn our effort to usher in China's "readmission to GATT" into a powerful driving force and arouse the whole nation's spirit of self-strengthening, self-determination, and self-reliance, we will be able to accomplish in a short time the things that we have been unable to accomplish for many years. Through the test of "readmission to GATT," China's auto industry will surely move toward the light.

Industry Uses Foreign Funds on Aviation Service

HK1404030893 *Beijing CHINA DAILY in English*
14 Apr 93 p 3

[By Xie Yicheng: "Air Service Flying High, With Help From Abroad"]

[Text] China's civil aviation industry has upgraded its facilities and services with the help of \$5.07 billion of overseas capital, according to aviation authorities.

The money includes \$4.7 billion for financing the lease of foreign jetliners and \$85 million in direct investment in joint ventures.

The use of foreign funds has been crucial in China's reform movement and last year helped air passenger volume grow by 19.7 percent, said an official of the Civil Aviation Administration of China (CAAC).

To meet soaring demand, China's airlines have expanded their fleets by leasing 126 long- or medium-range foreign aircraft, the official said.

Last year alone, CAAC used foreign funding to lease 25 Western jetliners valued at \$1.25 billion. The jetliners were made by Boeing, McDonnell Douglas, SAAB and Fokker.

These did not include the 10 Russian Ilyushin-86 jetliners that arrived in the capital airport with Russian crews late last week as part of a lease deal between Chinese and Russian airlines.

China will continue to lease many foreign aircraft this way to buoy up its service, said the official, who would not give further details.

Because of the expansion, Chinese carriers now fly 58 international routes to 53 cities and 492 domestic routes to 109 cities.

Since 1979 when CAAC first launched Beijing Aviation Food Product Co Ltd, 12 aviation joint or cooperative ventures have been started while another nine await approval.

The Beijing Aircraft Maintenance Engineering Corporation, established in 1989 by Air China and Germany's Lufthansa Airlines, has become China's largest repair centre for European and American aircraft.

The base has recently been licensed by the U.S. Federal Aviation Administration to do work on Boeing 747 jumbo jets and components, raising China's aircraft maintenance standard.

Moreover, China has used preferential loans from the Japanese Government to renovate outdated air traffic control, navigation and telecommunications equipment.

The loans have helped 24 Chinese airports build radar stations and instrument landing systems that should improve flight safety and punctuality, according to CAAC officials.

Beijing International Airport is further expanding its passenger hall to 120,000 square metres at a cost of 2.02 billion yuan (\$337 million). The figure includes a \$100 million loan from the Japanese Government.

Improving airport services is part of Beijing's bid to host the 2000 Olympic Games.

To speed up modernization, CAAC is working on new measures to woo direct overseas investment in China's airlines and airports, the officials said.

Central-South Region

Guangdong Calls for Surrendering Illegal Guns

HK1404061993 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 7 Apr 93

[Text] The Provincial Public Security Department issued a circular a few days ago on confiscating illegally possessed guns and ammunition. The circular calls for all persons who have illegally made, transported, traded, privately concealed, stole, or seized guns and ammunition to immediately give themselves up to the public security organs and to hand over their guns, ammunition, and tools, equipment, and raw materials for producing guns and ammunition to the local public security organs. Those who illegally possess all kinds of guns and ammunition must immediately report to the local public security organs and hand over their guns and ammunition.

Ruan Chongwu Attends Hainan Photo Exhibition

HK1404091393 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 7 April 93

[Excerpts] A large photo exhibition held by the provincial CPC Committee and government to mark the fifth anniversary of the establishment of Hainan Province and Special Economic Zone opened in Wanguo Exhibition Center yesterday [7 April] morning. Central leaders, including Comrades Jiang Zemin, Li Peng, Tian Jiyun, Zhu Rongji, and others, wrote inscriptions for the exhibition. Leaders of the provincial CPC Committee, People's Congress, government, and Chinese People's Political Consultative Conference [CPPCC], including Ruan Chongwu [Hainan secretary and governor], Du Qinglin, Yao Wenxu, Liu Xuejin, Chen Yuyi, and Liu Minzu, were present at the opening ceremony. Ruan Chongwu, Du Qinglin, Liu Xuejin, Chen Yuyi, and Liu Minzu cut the ribbon at the ceremony. [passage omitted]

Liu Xuejin, member of the provincial CPC Committee, director of the Propaganda Department, and special assistant to the provincial governor, spoke at the opening ceremony. He said: It is a matter of great significance to hold such a large photo exhibition to mark the fifth anniversary of the establishment of Hainan Province and Special Economic Zone with an aim of providing people of the whole province with education on our national and provincial conditions, arousing their enthusiasm in loving the party, the motherland, and Hainan, and spreading and expanding the influence of Hainan. He called on various counties and cities to do well in organizing people to visit the exhibition.

After the opening ceremony, provincial leaders visited the exhibition together with several hundred viewers.

Hainan's Agriculture Makes 'Much Headway'

HK1304150893 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 4 Apr 93

[Text] Over the past five years since Hainan Province was set up, Hainan's agricultural production has made much headway.

In 1992, Hainan's total agricultural output value reached 7.96 billion yuan, representing a 45 percent increase over 1987, one year before Hainan Province was set up; Hainan also made an unprecedented breakthrough in grain production by making itself basically self-sufficient in grain rations; Hainan scored new successes in tropical resources exploitation as well, with its total tropical crops growing area registering a 6 percent increase over 1987; Hainan expeditiously developed economic crops, with its total sugarcane output reaching 4.34 million tons in 1992, representing a 66 percent increase over 1987, and its total melon and vegetable output a 93 percent increase over 1987.

Hainan has reaped bumper harvests of aquatic products for five years running. As a result, its aquatic products have increased by 128 percent compared with the year before Hainan Province was set up. As regards animal husbandry, Hainan's meat products have increased by 44 percent over 1987.

Hainan has scored marked results in agricultural exploitation. This is mainly because party and government leaders at all levels in Hainan's rural areas have attached great importance to agriculture, increased input in agriculture, and carried out comprehensive exploitation in a planned way. Over the past five years since Hainan Province was set up, Hainan has constantly made efforts to improve basic agricultural facilities, thus laying a solid foundation for provincewide agricultural exploitation. In particular, Hainan has scored marked successes in building the first-phase comprehensive agricultural exploitation project by investing 270 million yuan: simultaneously carrying out comprehensive harnessing of mountains, rivers, forests, fields, and roads; and comprehensively developing agriculture, forestry, animal husbandry, sideline production, and fishery, with the result that excellent economic and ecological efficiency has been attained. Meanwhile, leaders at all levels across the province have also made unreserved efforts to promote scientific and technological progress, carried out market-oriented production development, and worked hard to build a high-quality, high-yield, and high-efficiency provincial agriculture.

What is noteworthy is that in the course of agricultural exploitation, Hainan has exerted its utmost in building experimental comprehensive agricultural development zones as well as new agricultural areas capable of full-scale exploitation, continuous operation, and comprehensive development, carried out socialized production and enterprise-like operations, developed a market-oriented processing industry, pushed ahead with planting and breeding industries development by dint of

a processing industry, actively exploited marine and forest resources, and developed a tourism-oriented agriculture. As a result, the experimental comprehensive agricultural development zones have now become an important force in Hainan's rural economic development.

Southwest Region

Guizhou Export Tariff Management Conference Ends

HK1304031793 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 2 Apr 93

[Text] The provincial export tariff management work conference concluded the other day.

The conference called for taxation organs at all levels across the province to step up export tariff management in a down-to-earth manner and severely crack down on such crimes as cheating in export tariffs.

Since last year, Guizhou has handled several cases in which criminals from other provinces or regions cheated Guizhou in export tariffs. In view of this situation, Vice Governor Zhang Shukui issued an instruction to party committees, governments, and departments concerned at all levels across the province asking them to heighten vigilance against criminals cheating in export tariffs and to crack down on criminal gangs involved in crimes.

At the provincial export tariff management work conference, the provincial taxation bureau called on taxation departments at all levels across the province to work out measures in light of actual conditions and urged principal persons in charge of taxation work at all levels to conscientiously manage work in this regard.

The conference emphatically stated that it is necessary to institute a responsibility system at all levels so as to ensure a successful struggle against criminals who cheat in export tariffs. Besides, it is necessary to resolutely investigate and hold leaders concerned responsible should any local taxation department be found involved in such crimes as cheating in export tariffs.

The conference also stated that while stepping up management, it is also imperative to make things convenient for foreign trade enterprises by issuing them special tariff receipts in a timely manner, thereby causing them no trouble in purchasing export products.

Sichuan Officially Appoints Xie Shijie Secretary

HK1404044093 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 6 Apr 93

[Text] Yesterday morning, the Sichuan Provincial CPC Committee held an enlarged meeting of the standing committee of the provincial party committee, at which Comrade Yang Rudai read out the CPC Central Committee's decision that Comrade Xie Shijie has been appointed secretary of the Sichuan provincial party

committee and that Comrade Yang Rudai would no longer hold the posts of secretary, standing committee member, and member of the Sichuan provincial party committee.

Comrade Yang Rudai spoke after reading the central decision. He said: Thanks to the leadership and concern of the central authorities, cadres at all levels and the people of various nationalities throughout the province have persisted in taking Deng Xiaoping's theory on building socialism with Chinese characteristics as a guide, have unflinchingly put into practice the party's basic line and a series of principles and policies, and have made efforts to push forward reform and opening up, so that tremendous achievements have been made in all facets of reform, opening up, economic construction, and work. He said: Sichuan is a large agricultural province with a huge population, limited farmland, and a weak foundation; hence we should make agriculture and rural work a top priority at all times. We should continue to pay serious attention to infrastructure construction in the areas of transport, communications, energy, and so on. Sichuan is also a province with multiple nationalities, so we should take nationality work seriously, should accelerate economic development in ethnic minority regions, and should give impetus to the common prosperity of all nationalities. As a landlocked province, Sichuan should give prominence to opening to the outside world and should push forward reform and development through opening up. We should pay close attention to development in the hilly areas as well.

In conclusion, Comrade Yang Rudai said: As the Sixth Sichuan CPC Congress will be held soon, I extend my wishes that the new provincial party committee will lead people throughout the province in seizing the opportunity to expedite development so that Sichuan's economy will scale new heights more rapidly and appropriately and will attain even greater achievements in all fields.

Xie Shijie, provincial party secretary, Xiao Yang, deputy party secretary and governor, and other leading comrades also spoke at the meeting. They said in their speeches: Under the leadership of the party central committee with Comrade Jiang Zemin at the core, we must unite as one, make concerted efforts, work diligently, and fight with all our might to make new contributions to quickening the pace of reform, opening up, and modernization in Sichuan.

North Region

Foreign Capital 'Greatly' Helps Beijing Commerce

OW1304125493 Beijing BEIJING REVIEW in English No 15, 12-18 Apr 93 pp 13-16

[By staff reporter Li Ning: "Foreign Capital Boosts Beijing's Commerce"; first paragraph is BEIJING REVIEW introduction]

[Text] Over the past decade of reform and opening up to the outside world, introduction of foreign funds in commerce (excluding hotel and catering) has been on a lower scale and later in date than in industry, agriculture, science, technology, culture and education. Since the restriction on foreign investment in commerce was lifted, the influx of attractive foreign goods and advanced management expertise have greatly invigorated the nation's commerce and boosted its market.

The capital of Beijing has not become a special zone in the high tide of China's reform. Lacking preferential policies, the city does not always stand at the forefront of the country. Take commercial reform for an example. Although hospitable Beijingers always welcome their Chinese compatriots and foreigners to shop and dine in Beijing, it was only last year that the latter were allowed to open shops in the city.

Opening Up

In January 1992, Beijing declared that outsiders and foreign business people were welcome to participate in the renewal work on the 4.8-km Chongwenmen-Yonghegong Street, due to be turned into a commercial avenue offering famous and high-quality products from all over the country. In the first month when this announcement was made, more than 50 enterprises from over 10 provinces and municipalities came to hold discussions, indicating intended investment of nearly 100 million yuan.

In February, the Beijing municipal government decided to cast away local protectionism and allow Beijing's commerce to incorporate with the national circulation network. Relevant policies were formulated to encourage domestic and foreign businesses to invest in commercial facilities. This was followed by the influx of traders and an upsurge in the establishment of commercial joint investment and cooperative businesses.

In June, the Beijing Dongan Group Co. signed an agreement with the Sun Hung Kai Estate Development Ltd. of Hong Kong for the renovation of the Dongan Bazaar.

In July, the Beijing-Lufthansa Friendship Shopping City, coestablished by Chinese, German and South Korean concerns, began operation in northeast Beijing. Jointly leased and run by the Beijing Friendship Commercial Service Corp. and the Sin Cheng Holdings Pte [Private] Ltd. of Singapore, the 22,000-square-meter department store is the largest of its kind in China.

In December, business began at the CVIK [expansion unknown] Plaza Shopping Center financed by the CVIK Plaza Science and Technology Exchange Co. Ltd. and operated by the China Venture Tech Investment Corp. and the Hong Kong-based Yaohan International Co. Ltd. of Japan.

By the end of September last year, more than 700 groups of overseas investors had come to Beijing to hold talks

on joint investment and cooperation in the tertiary sector. Letters of intent were drawn up for over 140 projects using foreign funds for development of commercial facilities. Total investment promised exceeded 7 billion yuan.

From last November to this February, Beijing sent delegations to Hong Kong and the Republic of Korea to attract investors and provide them with sounder grounding in the capital's investment policies. Municipal commercial circles offered 107 projects for joint investment and cooperation. During negotiations, overseas investors showed great interest in the renovation of the Wangfujing Shopping Center, the development of the Xidan Street and other schemes. Some small- and medium-sized projects immediately found partners. For instance, the Xuanwu District, which failed to secure a Beijing associate to cooperative upgrade [as published] the Caishikou Food Market for six months, found a partner in Hong Kong and quickly signed a letter of intent with the investor.

Upgrading Old Facilities

With the exception of the luxury Beijing-Lufthansa Friendship Center and the CVIK Plaza which opened to business last year, there has been no real establishment of large and decent markets in Beijing for nearly a decade. The Longfu Mansion which was rebuilt five years ago and the Xidan Emporium which was expanded last year represent marked improvements on the Wangfujing Department Store, the largest shopping mall in the city for several decades. However, many shoppers still shrink at the sight of jam-packed shopping aisles and are put off by the shortage of escalators in the two.

To date, quite a few low-rise, antiquated and dilapidated houses built before 1949 remain in the old downtown area of Beijing, and networks of ground pipes installed during the Qing Dynasty (1644-1911) are even still in use. Commercial facilities there are equally backward. In the age-old Wangfujing, Qianmen and Xidan shopping centers, most shops are narrow, dark and not airconditioned. They pose a dilemma for the city of Beijing with its 6 million urban residents (total population of 11 million) and floating populace of 1 million.

Since the Dongcheng District opened up Wangfujing and Chongwenmen-Yonghegong commercial streets, Xicheng, Xuanwu and Chongwen districts have drawn on their own advantages, providing projects with huge need of renovation activities and bright prospects to attract overseas funds for the construction of commercial facilities. [sentence as published]

Preliminary preparations for a 20,000-square-meter Xidan Department Store in the Xicheng District are in place. A batch of construction projects covering the Xidan Food Market, the Piku Trade Market and the Beijing Exhibition Hall Shopping Center will also be implemented.

Last August, the Real Estate Development Co. in the Xuanwu District and the Beijing Commercial Trade Corp. signed a letter of intent with the Chia Tai Group of Thailand on the rebuilding of the Dashanlan area in the Qianmen Shopping Center through joint investment, with a total reconstruction area of 600,000 square meters. The three sides also concluded a letter of intent on the 250,000-square-meter Maliandao Wholesale Town with an investment of U.S.\$250 million.

Wangfujing Zone

Last August, the municipal government set up the Wangfujing Area Development and Construction Office, the only commercial development project it has involved. [sentence as published]

Known nation-wide, Wangfujing lies in the busy downtown area of Beijing. The commercial street began to take shape five centuries ago in the Ming Dynasty (1368-1644). The Beijing Union Medical College Hospital built on the site of the Yuwangfu Palace by the American oil tycoon J.D. Rockefeller in 1915 and the Beijing Hotel (the present central section of the Beijing Hotel) constructed by the China French Industrial Bank in 1917 are still in use and remain the top in the area. There has been no major reconstruction there since the founding of New China in 1949. The Department Store, the Dongan Market, the Muslim Mansion and the Arts and Crafts Shop have all been rebuilt on their own, and their facilities are aging, outmoded and cramped.

About 128 shops lie along the 810-meter Wangfujing Street between the Changan Boulevard and Donganmen Street. Their annual sales come to more than 2 billion yuan, with more than 300,000 people passing through them daily and over 400,000 on holidays. For many years, however, these shops have complained of shortages of electricity, space and municipal facilities.

Huge funds are essential to change the face of this shopping treasure house, resurrecting its former majestic appearance. Surveys show an initial need for 6 billion yuan to provide seven underground pipelines and a substation in the area. Thus, the city of Beijing, following approval from the State Council, has decided to introduce foreign funds, advanced managerial expertise and other means for renovation, development and construction of the Wangfujing Shopping Center.

Planning covers an area of 1.65 square km bounded by the Dongdan Street North in the east, the north and south Donganmen streets in the west, the Changan Boulevard East in the south and the Wusi Street in the north. The first-phase project is expected to develop and renovate a one-square-km area south of the east and west Dengshikou streets. The central shopping area will encompass 99 hectares with 20 hectares for roads, three hectares for greenery and 29 hectares for comprehensive commercial facilities, in addition to 44 hectares set aside for preservation of the present environment. After completion, the floor space of new buildings is to reach 1.8

million square meters including 1.3 million square meters above ground and about 500,000 square meters below ground.

The Wangfujing Shopping Center will be up to the standards of top global shopping centers with five pedestrian shopping malls to run off from the main street. Subway will link underground markets, and two-story level terraces and corridors will join all the major shops.

Total investment will be 18-20 billion yuan, and the funds will be raised through selling the area's land use rights through negotiation or bidding. The term is 40 years for commercial use and 50 years for multi-purpose use.

Although the current price of land here is 40,000 yuan per square meter, the highest in the country, investors are not disconcerted. Letters of intent, agreements and contracts have been signed for 24 of the 36 tracts of land slated by the Wangfujing Area Development and Construction Office. Talks are under way for the remainder. So far more than 140 businesses from Hong Kong, Taiwan, the United States, Singapore, the Republic of Korea and other countries and regions have applied to participate in the area's renewal.

According to Ma Yuping, deputy director of the Wangfujing Area Development and Construction Office, the two schemes for the new Dongan Bazaar and the Modern Orient Square are advancing at an astounding pace.

The former entails the upgrading of the Dongan Bazaar being conducted jointly by the Sun Hung Kai Real Estate Development Ltd. of Hong Kong and the Dongan Group. It will require an investment of U.S.\$300 million and cover a floor space of 150,000 square meters. The earliest Dongan Bazaar was formed 90 years ago by several hundred stands, sheds and small shops. In 1969, the market invested 2 million yuan of its own volition to pull down these sheds and build the current Dongan, which has the most backward facilities and worst conditions of Beijing's four largest markets. Looking ahead, managers of Dongan are confident the bazaar will become a first-rate shopping center.

The Modern Orient Square, to lie between the Changan Boulevard East and the Dongdan Ertiao Lane, will cover 10,000 square meters, and there are plans to build a commercial town there covering 50,000 square meters. The two joint investment partners are the Beijing Municipal Orient Cultural and Economic Development Co. and a Hong Kong firm. Ground breaking work has begun on the project.

Transformation of Wangfujing is anticipated to take 10 years.

International Standards

The capital now has the Beijing-Lufthansa Friendship Shopping City, the CVIK Plaza Shopping Center and numerous shops selling world-known brands such as

Pierre Cardin, Stefaner, Benetton and Puma. The breaking of restrictions on commerce first buffeted the traditional management system. Almost all managers, shop assistants and customers have been amazed to find that open-shelf sales both create better customer relationships and make goods more attractive than they are hidden behind counters. A pleasant shopping environment and better services have enabled shoppers to really feel like gods.

The Beijing municipal government plans to complete 100 large stores around 2000, thus turning Beijing into an international commercial capital. Lin Zengcheng, deputy director of the municipal commercial committee, estimated that in 10 years, the city's annual retail sales will increase from the current 40 billion yuan to 120 billion yuan. The city now has only 15 large stores with a floor space of over 10,000 square meters each and a combined share accounting for one-fifth of the city's total sales volume. The establishment of 100 large stores with annual sales of 200 to 300 million yuan each is not too ambitious. Moreover, at present, purchasing power is obviously concentrated on large markets.

The buying power of Beijing residents should not be underestimated. A recent survey of Beijing consumption levels indicates that residents' savings deposits have hit 60 billion yuan, and there are more than 100,000 people with access to deposits exceeding 100,000 yuan. In addition, Beijing has more than 100 embassies and consulates, over 1,800 foreign business representative offices and numerous overseas and domestic business people and tourists who pour into the city in endless streams. Together they constitute a strong consumer force.

All this promises greater progress for Beijing's commerce.

Northeast Region

Liaoning Government Work Report

SK1004103693 Shenyang LIAONING RIBAO in Chinese 7 Mar 93 pp 1-3

[Liaoning Provincial Government Work Report given by Governor Yue Qifeng at the First Session of the Eighth Liaoning Provincial People's Congress on 27 February]

[Text] Fellow deputies:

On behalf of the provincial people's government, I now submit a work report for your examination and approval. All members of Chinese People's Political Consultative Conference provincial committee and comrades attending this session as observers are welcome to offer suggestions and comments.

1. Review of the Work of the Past Five Years

The term of office of this government started in 1988 and went through the last three years of the Seventh

Five-Year Plan and the first two years of the Eighth Five-Year Plan. Over the past five years, the development and changes in the international and domestic situations had provided us a good opportunity for accelerating economic development and enabled us to meet very unusual and acute challenges. Under the leadership of the Liaoning provincial party committee, we upheld the party's basic line along with the people of various nationalities across the province, strived to overcome the difficulties on our road of advance, and fulfilled the government work tasks examined and approved by the seventh people's congress sessions. Particularly since last year, we have deeply studied and implemented the important speech given by Comrade Deng Xiaoping during his tour to south China and the 14th CPC Congress guidelines. The people of various nationalities across the province were deeply inspired. They emancipated minds, enhanced spirit and manifested a strong desire and great enthusiasm in realizing the grand objective of socialist modernization. The province's reform, opening up and economic development began entering a new stage.

During the past five years, we acted in close connection with the central task of economic construction, and gave priority to grasping the work in four aspects: First, we unceasingly emancipated minds and changed concepts. In view of the actual situation in which our province had been affected by the ideology and concepts formed by the unitary planned economic system and the unitary ownership structure for a long time which restricted reform, opening up and economic development, we regarded emancipation of minds as the precondition for doing all fields of work well. Particularly in the course of deeply studying and implementing Comrade Deng Xiaoping's important speech made during his tour to south China and the 14th CPC Congress guidelines, we paid attention to exposing contradictions and reviewing the past work in line with the reality of our ideology and work; conscientiously summed up experience; clarified the understanding which was not scientific or even distorted socialism; eliminated the old ideology of the unitary planned economy; fostered new concepts that were compatible with the socialist market economy; and laid an ideological basis for deepening reform, expanding the degree of opening up, and accelerating economic development. Second, we unceasingly deepened our understanding of the provincial situation and further improved the economic development strategy and the basic ideas. During the past five years, particularly during the recent two to three years, we unceasingly deepened our understanding of our province's advantages and the changes in its economic status and role in the whole country; conscientiously analyzed the economic development road which we had traveled during the past years; stressed the relations between industry and agriculture, urban and rural areas, large and small projects, new and renovation projects, production and circulation, scale and efficiency, production of raw materials and development of precision and intensively processed products; and proposed efforts be made to cultivate a

new economic growing point while giving play to the existing advantages, formed new advantages, followed the economic development road of low input, high output and quick accumulation, and clearly defined the main target for accelerating Liaoning's economic development. Third, we expanded the degree of reform and opening up and conscientiously solved the sharp contradictions in economic performance. We repeatedly stressed the importance of adequately and clearly understanding the difficulties and problems in our economic work, and sought solutions through deepening reform and expanding the degree of opening up. In view of the imperfect market cultivation, the irrational production set-up and product mix, poor enterprise vitality, and striking financial difficulties, we adopted a series of measures for strengthening market building and invigorating the circulation of goods; upholding reform and transformation and doing a good job in running state-owned large and medium enterprises; strengthening the agricultural foundation and actively developing township enterprises; accelerating the opening up of the Liaodong peninsula and developing an export-oriented economy; giving a free hand in developing the tertiary industry, collective and nonpublic economic units in cities and towns; boosting the enthusiasm of scientific and technical personnel and actively developing high and new technology industries; and striving to cultivate a new economic growing point and new financial resources, and achieved fairly good results in these aspects. Fourth, we persisted in the principle of grasping the work with two hands. In the course of strengthening the building of material civilization, we made great efforts to grasp the building of socialist spiritual civilization, thus providing spiritual motivation, intellectual support, and ideological guarantee for reform, opening up, and economic construction. During the past five years, the provincial economic strength was further enhanced, with the GNP rising from 68.7 billion to 129.5 billion yuan, with the national income rising from 56.6 billion to 105.6 billion yuan, and with the total industrial output value rising from 121.3 billion to 266.4 billion yuan, respectively showing a yearly average increase of 6, 5.5, and 9.9 percent if calculated in terms of comparable prices. In 1992, the per-capita GNP surpassed 3,000 yuan. Various social undertakings developed vigorously, and the people's living standards clearly improved.

The rural economy developed in an all-round way, and the position of agriculture as the foundation of the economy was enhanced further. In recent years, we persistently regarded the strengthening of agriculture as the most important task of economic work. We conscientiously implemented the various policies of the party toward the rural areas, constantly deepened reform, and increased the input in agriculture. Despite grave difficulties, financial departments at all levels increased the appropriations for agriculture at a yearly average rate of 13.4 percent. We vigorously carried out farmland capital construction and improved the conditions for agricultural production. In the course of concentrating on

harnessing the Liao He and Taizi He, we strengthened water and soil conservation and the harnessing of medium and small rivers. We extensively launched the activity of invigorating agriculture through science and education. In 1992, scientific and technological groups contracted 24 million mu of land. The comprehensive agricultural production capacity was obviously enhanced. Grain output surpassed 15 billion kg for two years running. Forestry, animal husbandry, sideline production, and fishery developed in an all-round way, thus being basically self-sufficient in grain, meat, eggs, and vegetables. Last year, the total agricultural output value was 32.97 billion yuan, up by 7.1 percent over the previous year if calculated in terms of comparable prices. Township and town enterprises became one of the most important growth points of the provincial economic development, and a historical breakthrough was effected in the growth rate of such enterprises. In 1992, the total output value of such enterprises was 75.4 billion yuan, a net increase of 20.4 billion yuan, or 34.8 percent, over the previous year. Thanks to this, the total product of the rural society surpassed 100 billion yuan for the first time, up 27.5 percent over the previous year, or accounting for 32.7 percent of the province's total product of society. The original pattern of industry and agriculture changed.

Industrial production forged ahead despite difficulties and began embarking on the new stage of accelerating development. Over the past five years, we always regarded the strengthening of industrial production, large and medium state-owned enterprises in particular, as the priorities of economic work. Beginning from the second half of 1989, during the two years' lowest ebb, new difficult points emerged in economic work. In the difficult circumstances, we firmly implemented the instructions on Liaoning work given by leading comrades of the CPC Central Committee and the State Council, enhanced our morale, and tapped our potentials. We continuously deepened reform, vigorously introduced the various asset management forms including the overall contract for input and output, the shareholding system, the simulated management of the joint ventures involving foreign investment, and the renovation through "grafting." We deepened the reform of labor, employment, and distribution systems of enterprises. We paid attention to technological transformation of old enterprises and the structural readjustment of industries and products. We penetratingly consolidated enterprises, strengthened management, launched the activity of "the year of quality, variety, and efficiency," vigorously "restricted production, reduced stockpiling, and promoted the marketing of the product," halted deficits and increased profits, and cleared up "cross-debts." Beginning from the second half of 1991, a turn for the better was effected in the provincial industrial production. Last year, a good trend of rapid development again emerged. Last year, the total industrial output value was 233.43 billion yuan, up 18.9 percent over the previous year. The profit and tax generated by the industry at or above the county level reached 18.49 billion yuan, up 31.6 percent over the previous year. The

number of unprofitable industrial enterprises covered by local budget declined by 29.1 percent, and the amount of deficits declined by 45.8 percent. What was particularly encouraging, a number of large and medium state-owned enterprises entered the market and began to transform their operating mechanism. The various policies for improving enterprises, especially large and medium state-owned enterprises, were implemented conscientiously; and enterprises were allowed to retain 3 billion yuan more funds in line with the principle of "providing water for fish breeding," thus promoting their technical transformation and helping them increase vigor and development capacity.

The tertiary industry was developed more quickly and was becoming a pillar industry of the province's economy. In the past two years, we always regarded the development of the tertiary industry, especially the enlivening of the commodity circulation, as an important growing point for rejuvenating Liaoning's economy, thus changing its stagnant development that had lasted for many years. By the end of 1991, the increased value of Liaoning's tertiary industry accounted for 28.2 percent of its GNP, which was higher than the national average, the first time the province ever achieved this. In 1992, we conscientiously implemented the guidelines of the decision of the party Central Committee and the State Council on developing the tertiary industry; and, focusing on intensifying market construction and enlivening commodity circulation, improved our plans, broadened our ideas, relaxed our policies, and developed the various sectors of the economy simultaneously at various levels and through various channels. The annual increased value of the tertiary industry totaled 35.5 billion yuan, up 10.6 percent from the preceding year. Funds earmarked for market construction grew 2.1 times over the preceding year; country fairs increased to 2,728 by the end of the year, whose transactions totaled 20.48 billion yuan, up 48.1 percent; and the markets for means of production increased to 83, with their transactions totaling 19.3 billion yuan, up 1.1 times. Substantial development was also achieved in building the markets for money, technology, personnel, labor service, real estate, and other essential factors of production. Price reform made fairly great headway, and the grain purchasing and marketing prices and railway freight transportation charges were adjusted. Except for very few cities, marketing price control on grain and nonstaple foods was lifted in all areas. The authority for price management for most products was delegated to lower levels; and 90.1 percent of commodity retail sales and 83.3 percent of the purchases of farm and sideline products were subject to market regulation, thus promoting market development. Eighty percent of commercial enterprises and supply and marketing enterprises were granted autonomy in management, employment, distribution, prices, and retention of funds. We helped large and medium commercial enterprises transform the operating mechanism, developed a large number of private and individual retail outlets, and further developed the multilayered and multichannel circulation

system that consisted various ownerships and had fewer intermediate links. The annual volume of retail sales was 58.94 billion yuan, up 15.3 percent from the preceding year.

We made continuous efforts to open wider to the outside world and achieved significant progress in developing the export-oriented economy. The State Council approved designation of the eight cities and 15 counties in the Liaodong Peninsula as a coastal open area in March 1988. The provincial party committee and government made a timely decision to expedite the opening up of Liaodong peninsula, continuously deepened the reform of the foreign trade system, strived to adjust the exported product mix, and explored the world market in all directions, resulting in an increase in exports every year. In 1992, Liaoning's volume of exports was \$6.17 billion, of which \$3.91 billion came from the exports of local products, up 22 percent from the preceding year and 1.6 times from 1987. Contracts for construction projects abroad, labor service cooperation, technology export, and tourism made big headway and earned \$1.1 billion in foreign exchange in these five years. Construction was accelerated for the Dalian, Shenyang, and Yingkou demonstration zones in opening to the outside world and the Dandong border economic cooperation zone. By the end of 1992, they had approved 1,069 enterprises that brought in investment from abroad and established lateral ties at home. Of these enterprises, 679 were established with foreign investment totaling \$2.36 billion. In particular, the construction of the Dalian bonded zone, the operation of foreign banks, and the development projects of industrial cities and industrial zones marked a new stage in the construction of development zones. Meanwhile, new progress was also achieved in the construction of the development zones funded by cities themselves. We made best use of the channel for friendly exchanges with foreign countries to expand the fields of economic and technological cooperation and to strengthen the exchanges with foreign governments and people. We strived to improve the investment climate and enhance the capacity for absorbing foreign capital. Investment made by some foreign large financial groups and corporations in our province increased notably in the past two years or so. In the past five years, the province signed 4,519 contracts for using foreign capital, and the amount of foreign capital actually used was \$3.76 billion. We established 3,834 foreign-funded enterprises of the three types, of which 1,055 were put into operation, producing 11.63 billion yuan in output value last year. A multidirectional and multilayered pattern was taking shape in Liaoning's opening to the outside world, which is led by Dalian, based on Shenyang and the group of cities in central Liaoning, and supported by the coastal open cities on the two sides.

Construction of infrastructural facilities was intensified, and the investment climate was improved notably. In the five years, more than 17 billion yuan was invested in infrastructural construction. The old ports of Dalian,

Yingkou, and Dandong were renovated; and the Dayaowan, Dadong, Bayuquan, and Bijiashan ports, and a number of small wharves were built to increase the annual cargo handling capacity to 67.37 million tons. The new Taoxian Airport was built in Shenyang; Dalian's Zhoushuizi Airport was expanded; and the Anshan, Jinzhou, and Dandong Airports were renovated. The Shenyang Beixin terminal and the Haicheng-Xiuyan local railway were built to increase the freight transportation capacity. The mileage of highways was increased 4,414 km, and we built the Shenyang-Dalian Expressway and two highways from Chaoyang and Fuxin to the Jinzhou port to ease the strains in transportation. The project to network the vast rural areas with highways was carried out. In last year alone, the length of asphalt roads was increased by 1,635 km, greatly changing the backward highway transportation of poverty-stricken areas. Fourteen cities and 26 counties (cities) were equipped with program-controlled switchboards, the province's total exchange capacity exceeded 1 million lines, and all cities and counties and nearly 400 towns and townships became able to dial directly to more than 180 countries and regions of the world. A number of power plants were built or expanded to increase the power generating capacity by 3 million kw, making the total capacity 9.5 million kw. The strained power supply was thus eased to a fairly large extent. A total of 1.54 billion yuan was invested to carry out the "524 project" aimed at improving the atmospheric environment of cities, thus enabling the economy and the environment to develop in a coordinated manner. We also built a number of guesthouses, hotels, tourist areas, and apartments for foreigners. City layout became more rational, urban construction was intensified, urbanization was upgraded, and the functions of cities were improved, thus providing favorable conditions for opening wider to the outside world and accelerating economic development.

Science and technology played an increasingly greater role in economic and social development, and education made new headway. We comprehensively implemented the strategy of developing Liaoning with science, technology, and education; further deepened the reform of the scientific and technological systems; and formulated and put into practice the policies for lifting control on scientific research units and scientific and technical personnel to boost their enthusiasm. We increased the investment in science and technology. The 1992 expenses on science and technology were 23.1 percent higher than in the preceding year, thus facilitating the transformation of scientific and technological achievements into real productive forces. In the year, we scored 3,840 scientific and technological achievements, and the deals in technology totaled 1.317 billion yuan. Industrial enterprises developed 6,192 new products and put 4,423 of them into production. The portion of Liaoning's economic growth attributed to scientific and technological progress increased from 27 percent in 1987 to 35 percent last year. Shenyang, Dalian, and Anshan state-level scientific and technological development zones

took initial shape; and construction of the Jinzhou, Shenyang, and other provincial-level scientific and technological development zones was facilitated, resulting in the development of high- and new-tech industries. Research on applicable tasks in social sciences was intensified and played a positive role in economic and social development. The province achieved new achievements in educational work, basically implemented primary school compulsory education, and made new progress in developing the secondary vocational and technical education, adult education, pre-school education, and special education. A number of vocational senior middle school in the rural areas became bases for invigorating agriculture through science and education and for educating the people, and the structure of higher education was appropriately adjusted. Over the past five years, the educational investment made by local financial departments increased at an average annual rate of 16 percent which was noticeably higher than the growth of local financial revenue. To increase educational input, during the Seventh Five-Year Plan period, the provincial government decided to set aside 44 million yuan each year for five years to improve the teaching conditions of institutions of higher learning. After five years, the allocation of such money was extended for use for two more years. All cities, counties and townships also tried by all possible means to increase educational input for primary and middle schools, and enabled the teaching conditions in the urban and rural areas to improve noticeably.

The financial and banking situations improved, and the people's livelihood was steadily enhanced. During recent years, the financial departments across the province met with great difficulties. Through the efforts of all sectors, and along with the industrial upturn and the development of township enterprises, the strained financial situation was alleviated. In 1992, under the situation in which enterprises were allowed to retain more profits and no new default of funds to be returned to grain departments was seen, we had a financial revenue of 15.23 billion yuan, up 6.7 percent over the previous year, and the deficits of the year declined by 480 million yuan from the previous year. The province's banking situation was basically stable, all sorts of savings deposits steadily increased and the structure of loans was readjusted. At the end of 1992, the total balance of all sorts of bank saving deposits and loans increased by 3 times and 2.2 times respectively over the 1987 year-end figures. To make up for nearly 50 billion yuan in the difference between saving deposits and loans each year, the banking organs at all levels did much work and basically guaranteed the whole province's normal economic performance. The banking markets were unprecedentedly brisk. Particularly during last year, stock, trust and benefit bonds, housing bonds, enterprise internal shares, and collective funds with a total value of 11.2 billion yuan were sold to the public, up 1.3 times over the previous year; and such money was used for supporting economic construction. The people's living gradually improved on the basis of developing production. In

1992, the average per-capita income for living expenses of the urban residents was 1,739 yuan and the average per-capita net income of peasants was 995 yuan, showing an increase of 4.3 percent and 8.8 percent respectively over the previous year if the factor of price increases was excluded. Along with the reform of the housing system in the urban areas, the housing construction rate was accelerated. At the end of 1992, the average per-capita living space of the urban people reached 6.8 square meters. Nearly 50,000 households with great difficulties in housing moved into new houses. The urban water, electricity and gas supply situation improved, new achievements were made in supporting the poor, and the livelihoods of the households with difficulties or exceptionally great difficulties and of households enjoying five guarantees were guaranteed.

New progress was made in all sorts of social work, and the building of spiritual civilization was soundly developed.

Press, publication, radio, television, literary and art work played an active role in building the socialist spiritual civilization and many good works that reflected the spirit of the times were created, published, broadcasted, and put on the screen and stage; reform of the medical system was deepened and the medical level improved; great success was made in sports work and the province ranked among the front row in the country in capturing gold medals at major domestic and international competitions; family planning work was always in the lead of the country and the birth rate and natural population growth rate were all lower than the national average.

We extensively conducted various forms of education on the party's basic line, socialism, patriotism, and collectivism were conducted, carried out activities on building spiritual civilization units, as well as the army-people and police-people joint activities to build spiritual civilizations, and succeeded in enhancing the people's sense of civilization. We developed double-support work during the new period. The broad masses of officers and men of the army units stationed locally actively participated in key construction projects, supported local economic development, and achieved new success in the activities of building "double-support cities." Particularly during the recent one year or so, the broad masses of cadres across the province further emancipated minds, renewed concepts, and achieved new progress in building the socialist spiritual civilization.

We profoundly conducted the education on laws and strengthened the building of democracy and the legal system. We carried out the plan for spreading laws. The vast numbers of cadres and the masses enhanced their sense of administering the province according to law. The socialist democracy was strengthened. Governments at all levels conscientiously carried out the resolutions and decisions made by the people's congresses of the same level and by their standing committees, subjected themselves to the supervision on their work and on law

enforcement by people's congresses and their standing committees, strengthened the ties with the Chinese People's Political Consultative Conference [CPPCC] organizations and with mass groups. With regard to the major issues in economic and social development, governments at all levels should pay attention to listening to and drawing the opinions of various democratic parties, non-party personages, specialists, and scholars. In the past five years, the provincial government handled 2,474 proposals, opinions, and criticisms offered by people's deputies, 1,926 motions offered by the CPPCC members, and 186,000 petitions from the masses. The drawing-up of administrative laws was accelerated. The province submitted to the provincial People's Congress and promulgated 30 local rules and regulations, and formulated 116 administrative rules and regulations. The sense of national defense and the sense of state security were strengthened to some extent. We actively waged struggle against the enemy, resolutely dealt severe blows to all sorts of criminal offenses, investigated and dealt with all sorts of economic irregularities, and strengthened the comprehensive management of social order, thus maintaining the social stability. The building of political power at the grass-roots level and of the mass autonomous organizations was strengthened further. The reform of the personnel system of administrative organs and institutions was accelerated. Administrative supervision and the auditing work were strengthened. New headway was made in economic and social undertakings of minority areas, and the unity among various nationalities was enhanced further. New achievements were scored in all of the people's air defense work, the geological prospecting, the earthquake forecast, religious work, and Overseas Chinese affairs work.

The past five years was a period in which we withstood the temper and test amid the rapid change in the world situation, and forged ahead in unity despite difficult circumstances. During this period, the pace of reform and opening up was accelerated, the economic strength was enhanced, social undertakings developed, and the people's living standards improved obviously. During this period, we also pioneered the road of advance along the path of building socialism with Chinese characteristics. The practice over the past five years has proved that the line, principles, and policies laid down since the third plenary session of the 11th CPC Central Committee are completely correct, the party's basic line is the lifeblood to make our cause grow and flourish, and we will be ever-victorious if we carry out our cause in line with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Our achievements have resulted from the concerted efforts and arduous struggle of the people of various nationalities throughout the province, and are inseparable from the supervision by the provincial People's Congress. Our work has been supervised and supported by the provincial CPPCC committee, various democratic parties, people's groups, and various circles in society, has been greatly supported by various departments of the CPC Central Committee and the State Council, has been kindly supported by the

Chinese People's Liberation Army stationed in Liaoning and by the officers and policemen of the armed police force, and has garnered the sincere cooperation of the vast numbers of patriotic Chinese residing abroad, our compatriots in Hong Kong, Macao, and Taiwan, and friendly figures of foreign countries. Here, I would like to express my lofty respects and heartfelt thanks to them on behalf of the provincial government!

In the course of fully affirming achievements, we must clearly notice that there is still a long way to go in economic development compared to the overall level of the country, in particular compared to some advanced localities. Especially, we have failed to thoroughly solve the deep-rooted and long-standing problems in economic life, such as the imperfect development of market, the unreasonable structure of industries and products, the weak foundation of agriculture, the rigid mechanism of large and medium state-owned enterprises, the backwardness and stagnation of technological transformation, poor economic efficiency, and financial difficulties. In 1992, the province's composite index of economic efficiency was 6.9 percentage points lower than the average national level. Worse still, in the growth of heavy industry, more than 70 percent resulted from the pulling by investment, and the light and textile industry failed to cast off the difficult situation. The debts incurred by the budgetary industrial enterprises were as high as 15.4 billion yuan, the accumulative deficits of financial departments were more than 2.6 billion yuan, and the refunded money owed to grain enterprises amounted to 2.46 billion yuan. The emergence of these problems was not only due to the historical factor but also the factor of the transition from the old system to a new one, and was not only affected by the objective situation but also by the subjective situation. Through ideological and work examinations, we know that the main reasons were as follows: First, we failed to completely smash the trammels of "leftist" ideas and the old economic system. Although we repeatedly laid stress on emancipating the mind and changing ideas, we were still shackled by the misgivings to judge whether a move is "capitalist" or "socialist" and the thinking that everything depends on books and higher levels due to the fact that the province was deeply affected by the unitary planned economic system and the unitary ownership structure and due to the failure to expose contradictions, sum up experiences, and draw lessons. We were not good at doing our work creatively in line with the province's actual conditions and lacked the spirit of being keen to keep forging ahead and having the daring to do pioneering work, to test, and take a risk. In particular, we failed to persistently take the economic construction as a key link or to persist in the criterion for productive forces in judging truth and falsehood. Sometimes, our wills were shaken when the external environment was changing. The issuance of some documents going against the "Enterprise Law" and the spirit of streamlining administration and delegating powers to lower levels in the course of improving the economic environment and rectifying the economic

order influenced the progress of reform and construction. Second, we reacted slowly in bringing into play the markets' functions in the course of reforming the economic system and the operational mechanism. We failed to deeply understand the rapid economic growth rate of the coastal areas in south China through reform and opening up and to thoroughly analyze the province's changing position and functions in the national economy. We were used to and even yearned for the old systems, mechanisms, and methods under the operation of the unitary planned economy; and had more misgivings about the policy measures for opening up and enlivening the economy, the development of private and individual sectors of the economy, and particularly the assimilation of the advanced managerial forms and management methods of the capitalist advanced countries. Thus, we were late in setting up markets and guiding enterprises to enter markets and failed to timely grasp the favorable opportunities to rely on the market mechanism and develop a diversified economy to promote a rapid economic growth. Third, we failed to completely pioneer a new way of thinking suitable to Liaoning's economic development. Although we set forth, in line with the province's situation, some new ideas of accurately handling the relations between industry and agriculture, between the urban and rural areas, between large and small enterprises, between the light and heavy industries, and between new construction projects and reconstruction projects; and the ideas of speeding up reconstruction and readjustment and changing high input and low output, we failed to mobilize the enthusiasm of all fronts and to pool concerted efforts to realize these ideas, particularly to effectively treat and bring into play the existing advantages or to cultivate new growth points, or to really shift the focus of the economic work onto the orbit of increasing economic results and ensuring low input and high output. Thus, some of our province's latent advantages have not been brought into full play. Fourth, we did not have a solid work style. We were not good at eliminating the obstacles by dillying, taking the overall situation into consideration, grasping major things, or managing the macro-economy. Sometimes, we lacked the daring to make resolute policy decisions. We often lacked the spirit to carry out through to the end the decisions that were once made and the things that were proved accurate. We often lacked the courage to correct work mistakes. The people were not satisfied with our solution of the problems that the masses have been concerned with, such as improvement of administrative honesty and social order. The lessons were profound. We should conscientiously draw these lessons. 2. The Strategic Tasks and Targets for Economic Development in the Nineties

The 14th party congress indicated that our country has entered a new stage of reform, opening up, and economic construction. This congress demonstrates again our country's vast prospects and great blueprint for modernization. The period from now to the end of this century is an important one for establishing the new system of the socialist market economy in line with the guidelines

of the 14th CPC Congress and a crucial period for accelerating reform, opening wider to the outside world, and bringing the economy to a new level as soon as possible. We should clearly note that we will encounter many severe challenges thanks to the major changes in the pattern of the present-day world and the rapid rising and development of the economy of our neighboring countries and regions, especially when China restores its status as a signatory to GATT; that the domestic economy will develop rapidly thanks to the thorough implementation of the guidelines of the 14th CPC Congress and the gradual establishment of the socialist market economy system; and that competition will become even more intense because localities where the market economy started early will accelerate development. The current basic task for the people throughout the province is to unswervingly implement the guidelines of the 14th CPC Congress, summarize historical experiences and lessons, accurately find a way of development, and carry out the "second pioneering work" to regain Liaoning's vigor.

Liaoning, as an old industrial base, has been built thanks to the support of the entire country, the strategies worked out by the people of the older generation, and the hard work of several generations of people. In more than four decades since the founding of the country, it made important contributions to socialist construction and established its own advantages. Since the third plenary session of the 11th party Central Committee, its various fields have also effected tremendous changes and scored the achievements that attract people's attention. However, due to the influence of the unitary planned economy system and the unitary ownership structure, it has lagged farther and farther behind advanced areas. Such a grim reality forces us to acquire a clearer understanding of the provincial situation and to place ourselves in the domestic and the world markets to judge Liaoning. We have felt more deeply that due to the rapid economic development all over the country, especially the gradual establishment of the socialist market economy system, our advantages have been weakened or disappeared, and other localities have reduced their reliance on the province, an old industrial base. If we continue to rely on the advantages taken shape under the unitary planned economy system, feel satisfied with the unitary ownership structure, see Liaoning's economic position and role in the country as static, and stick to the old economic development road, we will have difficulty in complying with the new situation in reform, opening up, and economic development and in fundamentally solving the long-standing and deep-seated problems in economic development; Liaoning, the old industrial base, will not be improved; and we will have a guilty conscience toward our predecessors and the many old comrades who have made contributions to this base. Therefore, we should proceed from the already changed situation and learn from the experiences of the countries and regions with fairly rapid economic development to blaze a new road. That is, in line with the requirement for establishing the new system of the socialist market

economy, we should promote the economic structural reform focusing on improving large and medium state-owned enterprises and promote the all-directional opening to the outside world focusing on Liaodong peninsula; and we should make great efforts to cultivate a new growing point for the economy while adhering to the principle of "providing water for fish breeding" regarding old enterprises, accelerating reform, renovation, adjustment, and improvement of large and medium enterprises, and developing our original advantages. The major work is that we should greatly develop the large-scale agriculture aiming at producing high yields, good quality, and high efficiency; greatly develop township enterprises, urban collective economies, and small but mighty enterprises; greatly develop high- and new-tech industries and finely processed products; greatly develop the tertiary industry; and greatly develop the three types of foreign-funded enterprises and enterprises of individual, private, and mixed ownerships. We should enable these new advantages and our original advantages to rely on, combine with, and promote each other and blaze a road to low investment, high yields, and quick accumulation. When we speak of low input, we do not mean small input or no input. What we mean is the proportion between input and output. In cultivating the new economic growing point, we must be willing to invest and to expand the degree of investment. This will not prevent state-owned large and medium enterprises from giving play to their advantages, but will help to accumulate more funds for outdated enterprises to carry out technological transformation and create a more relaxed environment for them. At the same time, this will play a tremendous role in accelerating structural readjustment, raising economic efficiency, alleviating financial difficulties, and promoting the economy to enter a path of well-rounded cycle as quickly as possible. If we call the building of the old industrial base of Liaoning under the condition of the unitary planned economic system and the unitary ownership structure the "first pioneering work," then we may call today's practice of deeply implementing Comrade Deng Xiaoping's important speech made during his tour to south China and the guidelines of the 14th CPC Congress and building the socialist market economic new system, relying on the hard work of the people of various nationalities across the province, persisting in invigorating Liaoning with science and technology, and accelerating reform, opening up, transformation and readjustment; rapidly promoting the transition from the unitary planned economy to a socialist market economy; giving full play to the original advantages of state-owned large and medium enterprises and actively cultivating many new economic growing points; persisting in the principle of low input, high-yield and quick accumulation, finding a new economic development road, enabling the overall quality of the national economy to rise noticeably, rejuvenating the old industrial base and revitalizing Liaoning the "second pioneering work." Actually, this kind of pioneering work has already been started since the third plenary session of the 11th party Central Committee. The achievements which we have made

today are the fruitful achievements of this kind of pioneering work. The purpose of solemnly and explicitly putting forward the "second pioneering work" is aimed at mobilizing the people of various nationalities across the province to more consciously uphold the party's basic line for 100 years without wavering in it and enabling them to further recognize the new situation lying ahead and the new tasks they must shoulder, to enhance spirit, and to revitalize the old industrial base. On this major issue which has a bearing on the future and destiny of our province's economy, we must unify thinking, unite as one, work hard and make great contributions to the state during the new historical period.

Based on this idea, we unceasingly improved the economic development concept, studied and formulated the "outlines of plan for accelerating Liaoning's economic development during the nineties," in line with the demands of the provincial party committee, solicited opinions from all sectors, and repeatedly made revisions. The seventh plenary session of the seventh provincial party committee already adopted these "outlines," clearly defined our province's economic development ideas for the nineties, the fighting objective and the strategic measures, and proposed efforts be made to make the economic development rate, economic efficiency, economic structure, level of productive forces, export-oriented economy, development of social work, and improvement in the people's living enter a new stage. First, we should maintain a fairly rapid economic development rate. By 2000, the GNP should reach 250 billion yuan, showing an annual average progressive growth of 10 percent; the national income should reach 200 billion yuan, showing an annual average progressive growth of 9.6 percent. Second, the economic efficiency should improve noticeably. By 2000, the average per-capita GNP should reach 5,680 yuan; and the local financial revenue should reach 21.05 billion yuan. Third, the economic structure should become more rational. By the year 2000, the proportion of the primary, secondary and tertiary industries in the province's GNP should be readjusted from 17.5:56:26.5 to 12:48:40; high and new-tech industries, the tertiary industry, township enterprises, and the neighborhood economy should be rapidly developed; and the proportion of high value-added, precision and intensively processed products should be noticeably increased.

Fourth, we should attain a new level in developing productive forces. Most large and medium state-owned enterprises should carry out renovation to upgrade and update their major technological equipment, and should depend on scientific and technological progress to rapidly develop productive forces. By 2000, the contribution rate of the factor of scientific and technological progress to economic growth should rise from 30 percent at present to more than 50 percent. Fifth, we should rapidly develop the export-oriented economy. We should basically give rise to a mode of the export-oriented economy which combines export guidance with import substitutes. The foreign exchange earnings from

the export of local products should reach \$12 billion, registering a yearly average increase of 17 percent, or quadrupling the figure of 10 years ago. Sixth, new headway should be made in social undertakings. The people's living standards should improve obviously. By 2000, the natural population growth should be controlled within 6.7 per thousand, the nine-year compulsory education should be made universal, the primary medical care service should be available to everyone, and the people's cultural life should be even more rich. The per-capita consumption of residents should be about 3,200 yuan, the per-capita housing area of urban residents should be 8 square meters, and the people's living standards should reach the better-off level ahead of schedule. The socialist democracy and legal system should improve further, and the building of the socialist spiritual civilization should attain a new level. Shortly after 2000, we should strive to build the province into a new, civilized, rich, and modernized economic area which is opened to all sides of the world in an uneven and continuous manner, which integrates domestic with world markets, and which is advanced in science and technology. The province should be economically prosperous and its transportation should be developed. Dalian, a multifunctional and internationalized city, should be the province's forward position in opening up, with coastal ports and open cities as its two wings, and with Shenyang, a modernized city, and central cities as its hinterland.

To carry out the "second pioneering work" and to push the economy onto a new stage as quickly as possible, we must effect a series of new changes in the guiding ideology for economic work in line with the guidelines of the 14th CPC National Congress. In the field of economic operational mechanism, we should change from being accustomed to the single-product planned economic system and old operational mechanism to building a new market-guided mechanism by giving full play to the role of markets, optimizing the disposition of essential production elements, establishing large markets and accelerating the circulation of major commodities. In the field of economic development path, we should change from the path of high input, low output, and primarily engaging in production of raw materials and primary products which requires great efforts but produce small profits to the path of depending on scientific and technological progress, improving the quality of laborers, developing deep processing, and enhancing the technology content and added value of products. We should follow the economic development path of low input, high output, and rapid accumulation. In the area of priorities for economic development, we should change from simply depending on the advantages formed under the single-product planned economy to expand the scale of projects and initiate new projects in using high and new technology to renovate traditional industries and cultivate new economic growth points and use even more and even greater advantages to promote the sustained development of the provincial economy. In the field of the distribution of productive

forces, we should change from laying emphasis on urban areas and major industries to combining urban areas with rural areas, making them complement each other's advantages and develop through coordination. We should give full play to the shining role of central cities to form new economic areas. In the field of organizational structure of enterprises, we should change from establishing big and all-inclusive, small and all-inclusive, and self-contained enterprises to establishing enterprises which engage in socialized large-scale production based on specialized cooperation. We should also vigorously develop enterprise integrations and organize enterprise groups to give rise to overall advantages and enhance competitiveness. In the field of ownership structure, we should change from merely laying emphasis on developing the publicly owned sector of the economy and large-scale economy to developing diverse sectors of the economy with public ownership as the main body and should vigorously develop the nonpublicly owned sector of the economy, in particular an economy with mixed ownership forms in which various economic sectors are allowed to purchase shares. In the field of the standards for appraising enterprises (including cadres), we should change from deciding the grade of enterprises based on their scale and on the number of their staff and workers to appraising the size, grade, and achievements of enterprises based on their performances. We should select the superior and eliminate the inferior. In its function of economic administration, the government should change its direct management of enterprises with administrative means, devote its major energy to strengthening macroregulation and control and improving service, make efforts to develop the market, give play to its regulating role, improve the rules and regulations on the market, safeguard the normal economic order, and provide a large and better stage for enterprises to carry out their activities. Through this, the government should develop Liaoning's economy into a technology-intensive and export-oriented economy that emphasizes conservation of resources and intensive management.

To carry out the "second pioneering work" and bring the economy to a new level as soon as possible, we should take the market as the guide, take improvement of efficiency as the central task, and adopt a package of coordinated measures to solve the deep-seated problems in economic development. We should place more efforts in deepening reform. The key to a success in the "second pioneering work" lies in whether we can establish the socialist market economy system more quickly. Therefore, we should extend the degree of reform. Focusing on improving large and medium state-owned enterprises and reforming the relationship concerning property rights, we should conduct the coordinated reform to delegate power to lower levels; to change the operating mechanism of enterprises, the functions of the government, and the systems of institutions; and to establish the market system, the social security system, and the macro-regulating and controlling system. We should let reform be manifest in all fields and all aspects of work. We should place more efforts in opening to the outside

world. We should make the best use of the favorable conditions of Liaodong peninsula for opening to the outside world, promote reform and development through opening up, continue to expand the scope of opening and the fields opened to the outside world, and improve the level of opening up. We should facilitate the opening and development of the areas around the Bohai Bay and actively create conditions to include all cities and counties of the province in the open zones at an early date. We should comprehensively improve the construction and promoting role of economic and technological development zones so that Liaoning's endeavor of opening to the outside world will develop in both range and quality, the fields opened to the outside world will be extended from the secondary industry to the primary and tertiary industries, and a new pattern of this endeavor will take shape. We should place more efforts in adjusting the structure. We should strengthen the primary industry, optimize the secondary industry, and greatly develop the tertiary industry. With the development of high-yield, good-quality, and high-efficiency agriculture as the goal, with the market as the guide, and with strengthened grain production as the premise, we should restructure our farming; comprehensively develop forestry, animal husbandry, sideline production, fishery, and the intensive processing of farm products; and establish 10 commodity production base areas that coordinate farming and breeding with the processing industry and that integrate scientific, industrial, and foreign trade development. We should take advantage of our long coastal line to build a "Liaoning on the sea." We should greatly facilitate township enterprise development and increase the proportion of the output value of township enterprises in the total product of society to 36 percent by 2000. We should concentrate efforts on industrial restructuring; emphasize the technical transformation for the "intensive processing industry for five major collections of products," "six coordinated processes," and "five major sets of equipment"; develop more quickly the major products in 16 categories; and upgrade the technology, equipment, and products of Liaoning's key enterprises to the world levels of the late eighties. We should establish a number of advantageous industries and finely processed products with high added value as soon as possible to remold Liaoning's new image. Meanwhile, we should actively develop the building industry. The tertiary industry should be developed greatly at a rate higher than that of the primary and secondary industries. During the Eighth Five-Year Plan period, efforts should be made particularly to build well 300 national or regional wholesale markets for means of production and staple farm and sideline products. We should have great courage to develop the nonpublic sectors of the economy, such as individual, private, and foreign-funded economies, and increase their proportion in the economy by a large margin. We should place more efforts in achieving scientific and technological progress. Market competition, in the final analysis, is competition of science and technology and competition of personnel. We should conscientiously embrace the idea that science

and technology are primary productive forces, turn scientific and technological achievements into commodities and real productive forces more rapidly, and truly promote economic development by relying on scientific and technological progress and by improving the quality of laborers.

We should exert efforts in scientific and technological progress. In the final analysis, market competition means scientific and technological competition and personnel competition. We should realistically foster the ideology that science and technology are the primary productive forces, accelerate the commercialization of scientific and technological achievements, turn them into real productive forces, and promote economic development by realistically relying on scientific and technological progress and by raising the quality of laborers. We should pay special attention to unswervingly implementing the guidelines of the relevant decisions of the provincial party committee and the provincial government on decontrolling scientific research units and giving a free hand to scientific and technical workers, study and formulate more flexible and relaxed policies, induce students studying abroad and domestic college graduates to work in our province, try by all possible means to keep a fixed number of personnel in the province, attract and train a batch of personnel, and support young scientific and technical personnel to grow up as quickly as possible; actively lead scientific and technical personnel to participate in the main battlefield of economic construction, give handsome awards to scientific and technical personnel with outstanding contributions, encourage them to become rich ahead of other people, and strive to encourage a social environment in which all the people care for and respect personnel and give full play to their wisdom and talent. We should exert efforts to retain old financial resources and cultivate new financial resources. For a long time, the unitary financial resources formed under the unitary planned economic system and the unitary ownership structure not only created a situation of drawing money excessively from large and medium enterprises and failing to adequately make up for their deficiencies. They also created a situation of making enterprises become increasingly outdated with a serious shortage of funds for carrying out technological transformation. They also placed the financial departments at all levels in a difficult situation for a long time. This has become a striking problem restricting the province's economic and social development. We must try by all possible means to retain the old financial resources of large and medium enterprises, persist in giving before taking, and "providing water for raising fish," rest and build up strength, and accelerate reform, transformation and readjustment in an effort to intensify enterprise vitality and the reserve strength for development, and rejuvenate them as quickly as possible; meanwhile, we should adopt more preferential and supporting policies, actively cultivate new economic growing points, form new financial resources, let a new pattern of collecting financial resources through various channels take shape through

long-term efforts, and fundamentally end the long-term financially difficult situation in our province. We should exert efforts to strengthen the building of infrastructure facilities. By 2000, we should give priority to grasping the building of eight major power plants such as the nuclear power station and the Dalian Bay power station, complete building three major water diversion projects such as the Fuerjiang water project and four major reservoirs such as Guanying reservoir. While making continued efforts to build a highway network in the province, we should do a good job in building several high-grade highways such as Shenyang-Dandong and Shenyang-Shanhaiguan highways and the highway running along Shenyang city; and while stepping up efforts to complete the construction of four major ports including the Dayao Bay project, we should also build a number of small-scale wharves, develop sea fleets, and actively prepare for building a railway train ferry from Liaodong peninsula and Shandong peninsula; fulfill the task of building and renovating two large airports in Shenyang and Dalian and three small airports in Chaoyang, Dandong, and Jinzhou; and do a good job in building the new Qingou railway line, renovating the double-track electric railway running from Shenyang to Shanhaiguan, and the Changda electric railway project. We should pay attention to the development and utilization of underground air defense projects, accelerate the construction of telecommunications projects with an emphasis on the "2127 project" on rural telecommunications and the Beijing-Shenyang-Harbin optical fiber project, and realize a leap forward in the quality of the telecommunications network in the province. Meanwhile, we should actively develop social undertakings, strengthen the building of socialist spiritual civilization, and promote simultaneous development in the two civilizations.

The task of realizing the "second pioneering work" and pushing the economy to a new stage is very complicated and arduous. In addition to facing the challenges brought by the acute competition in the domestic and foreign markets, we should also treasure these hard-won favorable opportunities; and in addition to looking squarely at the difficulties on our road of advance, we should also fully recognize our favorable conditions: First, through the conscientious study and implementation of Comrade Deng Xiaoping's important speech made during his tour to south China and the guidelines of the 14th CPC congress, the higher and the lower levels across the province have enhanced spirit. They have the strong desire of catching up with advanced localities and are not content with the present situation. Second, our province has the obvious advantages of geographic location, natural resources, economic foundation, scientific and technological strength, infrastructure facilities and investment environment and favorable conditions for accelerating development. Third, our province has gradually become distinct in its economic development ideas, its strategic emphasis, and its guiding ideology. In line with its reality, the province has also formulated and

issued some policies and measures favorable for developing markets. Fourth, our province has continuously maintained a prosperous trend of development over the past few years in its agricultural production; its township and neighborhood enterprises, its high-and new-tech industries, its tertiary industry, its export-oriented economy, and its individually owned and privately owned enterprises. Fifth, the vigor of the state-owned large and medium enterprises that are playing a guiding role in the national economy has begun to strengthen. Some projects of capital construction and technical renovations have been successively put into production and begun to exert benefits. Only by further emancipating minds, heightening the spirit, seizing the opportunity, following a correct road, successfully making full use of these favorable conditions, closely relying on the people of various nationalities throughout the province, and inheriting or developing the pioneering spirit of old generations will we certainly be able to push the province's economy forward and to fulfill the more arduous, grand, and glorious "second-phase pioneering project." We are fully confident in them!

3. The Main Work of 1993

The year for implementing the spirit of the 14th CPC Congress and of shifting the economic system to a socialist market one is 1993. It also represents a starting step for improving the economy to a new level as soon as possible in line with the demand set in the "second-phase pioneering project". A success or failure in the work this year has a vital bearing on future development. In line with the tasks and targets set in the "programme of accelerating the economic development of Liaoning Province in the nineties," we must successfully grasp the work of this year in a down-to-earth manner and strive to score a high starting point. We also must take a large step, grasp our work realistically, score good effects, and make some new breakthroughs in dealing with the problems that affect the situation as a whole. According to the estimation of the trend of economic operation as a whole and of the changes of macroenvironmental development, the province will maintain a faster speed in developing the national economy this year. According to the initial arrangement, the GNP will show a 10-percent increase over 1992; the total agricultural output value will show a 5-percent increase over 1992; the financial revenue will show a 6.4-percent increase; foreign exchange earned through exports will show a 15 percent increase; the output value of township enterprises will surpass 100 billion yuan and show a 34.2 percent increase; the increased value of the tertiary industry will show a 13.7 percent; and various social undertakings will further develop.

A. A good job should be done in grasping industrial production by regarding markets as a guiding direction and regarding the task of boosting the large and medium enterprises as an emphasis.

We should deeply implement the "regulations of having the state-run enterprises shift their business mechanism"

and the measures issued by the provincial people's government for enforcing these regulations. We should also earnestly delegate the self-determination right to enterprises. All rights imposed by the state on enterprises must be thoroughly delegated. No locality or department is allowed to retain them. Enterprises should fully make use of their self-determination right, shift their business mechanism, and strive to have a large number of the state-run large and medium enterprises to be operated in line with the new mechanism. Efforts should be made to reform the managerial styles of enterprise assets and to actively enforce multiple-style ownership dominated by public ownership. We should continuously uphold the principle of having the state-run large and medium enterprises "achieve self development," relieve enterprises' burdens, and increase the retained profits of enterprises. We should also unswervingly enforce the responsibility system for input and output and strive to enforce such a system among more than 200 enterprises this year. Efforts should be made to actively and adequately enforce the share-holding system and to develop enterprises with stocks shared by various strata and with multiple ownership. Based on the pilot work done in this regard last year, we should expand the number of enterprises that are enforcing the share-holding system to 200 this year. We should select a number of enterprises to imitate the management of "three types of foreign-funded enterprises." Collectively owned enterprises should restore their share-holding and cooperative character. Enterprises at the county-district level should conduct their operation and management in line with the mechanism of township enterprises. We should boldly develop what is useful and discard what is not useful among the enterprises whose funds cannot make up their debts, which are long suffering losses and are not worth renovation. We should merge enterprises that deserve to be done so with others, have enterprises that deserve to do so go bankrupt, and sell enterprises that deserve to be sold at reduced prices. We also should strive to make a large breakthrough in this regard. We should speed up the reforms in various fields within enterprises. Particularly, we should further improve the leadership system of enterprises. Directors of party and administrative units of an enterprise should be held by one person concurrently in principle, but this should be carried out in line with respective conditions of enterprises. In the course of further improving the enterprise groups which have already been established, we should positively explore new forms of organizing enterprise groups. This year, we should organize the magnesite mining enterprise group, the Fushun iron and steel enterprise group, and the Beifang engineering and machinery enterprise group, which will affect the province's economy. At the same time, we should actively develop transregional integrations and strengthen the economic and technological cooperation among different localities.

We should step up the technological transformation of old enterprises and speed up the readjustment of product structure. Technological transformation should be guided by market demands and should be aimed at

optimizing structure and improving efficiency. We should vigorously develop the deeply processed products which are high in technological content, in market capacity, in foreign exchange earnings, in added value, and in efficiency. We should seize the current favorable opportunity provided by the rapid development of heavy industry to accelerate the readjustment of product structure. Particularly, we should be determined to change the situation that light and textile industries are developing slowly by assigning some enterprises to attract investment from south China and from abroad. We should either invite able persons at high price to help enterprises in management and designing or sell management right to them to accelerate the development. We should further authorize enterprises to decide their own technological transformation projects so that enterprises will become the main body of the technological transformation investment. We should strengthen the overall regulation and control over technological transformation and lay emphasis on the results of input and output. Toward technological transformation projects, we must conduct full appraisal to avoid blindness. The projects which require a long period of time should be carried out in an extremely prudent manner. The projects whose results are proven poor should be canceled to avoid adding burdens to the state. We should carry out a strict system whereas directors of the contracted units assume responsibility for the projects and should incorporate technological transformation projects to the contracts of enterprises to solve the long-standing problems of laying emphasis on the deciding of a project, neglecting management and output, and nobody assuming responsibility for investment. This year, we should concentrate our efforts on the beginning step of the "565 transformation project," on the 54 projects undergoing continued construction, on the 84 projects whose construction has only just begun, and on the technological transformation projects of the 100 enterprises that are small in size but strong in competitiveness.

B. We should firmly embrace the idea of regarding agriculture as the foundation of the economy and should make the rural economy flourish in all fields. Agriculture is the foundation for the national economy. In developing the socialist market economy, agriculture's position as the foundation cannot be shaken and the policies for supporting agricultural development cannot change. Although our province has reaped bumper harvest in agriculture for three years running, we should not overestimate the economic strength of the rural areas and the degree of the prosperity of peasants. The province's special condition requires us to always grasp agriculture and rural work with a high degree of consciousness without the slightest degree of negligence.

We should greatly develop high-yield, good-quality, and high-efficient agriculture. This is an objective demand in developing the socialist market economy and also the only way to change the traditional agriculture into modern agriculture and to achieve affluence and a fairly comfortable life for rural areas. We should further

embrace the ideas of large-scale agriculture, circulation, and production; realize comprehensive development in farming, forestry, animal husbandry, sideline production, and fishery; develop primary, secondary, and tertiary industries simultaneously; and integrate science, industry, trade, and agriculture. We should expedite the restructuring of farming. On the premise that the per-unit yield of grain is increased and the total grain output is stabilized at 15 billion kg, we should plant cash crops on some of the land not good for grain production, and gradually establish the economic zones that give full play to local advantages and reflect their own characteristics so that the overall efficiency of agricultural production can be improved. In grain production, we should also make adjustment in line with market demand to rationalize the distribution and structure of crops, control and properly reduce the areas sown to paddy rice, and expand the areas interplanted with rice and wheat. We should reform the cultivation system and fully tap the potential of meteorological resources to actively develop interplanting and ecofriendly agriculture in people's courtyards. We should continue to develop farmland capital construction on a large scale, expedite the improvement of small valleys, build high- and stable-yield farmland, and enhance the overall antidisaster capacity of agricultural production. We should accelerate tree planting. We should afforest 3 million mu this year, strengthen management of forest resources, restructure forestry, do a good job in reforestation, and greatly develop the forestry-related industry and diverse production to lead forest areas to affluence as soon as possible. We should greatly expand the production and improve the quality of animal by-products. We should accelerate the construction of "Liaoning on the sea," develop 300,000 mu of coastal waters, and actively expand deep-sea fishing to increase the production of aquatic products. We should make great efforts to develop the intensive processing of farm, forest, animal, and aquatic products and, in particular, achieve success in the conversion of grain to improve economic efficiency and increase both production and income simultaneously. We should greatly promote scientific and technological progress in agriculture, continue the strategy of developing agriculture with science, technology, and education, and extensively hold technical training for peasants so that they will improve their quality and master the skills for achieving affluence. We should stabilize the contingent of scientific and technical workers, achieve success in the group contracting for providing science and technology, disseminate and apply the effective and applicable technology more rapidly, and greatly develop brand-name, special, new, and good-quality products. We should continue the "bumper harvest plan," the "spark plan," and the "123 project" and comprehensively raise the quality, science and technology content, and additional value of farm, forest, animal, and aquatic products. We should produce highly efficient and applicable farm machines, gradually expand the areas farmed by machines, and improve the mechanization level.

We should continue to deepen the rural reform and conscientiously protect and boost peasants' enthusiasm for production. We should further stabilize the responsibility system with household-based output-related contracts as the major form and improve the dual management system that combines unified management with independent management. We should consolidate and develop the rural socialized service system and emphasize the efforts to address the difficulty in buying and selling grain and the impeded circulation. We should establish the system of grain reserves at different levels and the system of risk-taking funds and actively explore the new methods for the purchases, reserve, and distribution of grain and for financial management. We should resolutely implement the policy measures formulated by the central and provincial authorities for protecting and supporting agricultural development and apply a bottom protective price to grain and a ceiling price to the means of agricultural production. We should continue and improve the method of linking grain purchasing contracts to the supply of chemical fertilizer and diesel oil and to the payment of deposit for the purchases and continue the subsidies to the plastic sheets for mulching and newly irrigated areas. We should increase agricultural investment through various channels, use agricultural funds well, and organize well the supplies of chemical fertilizer, pesticides, plastic sheets, and electricity. Reduction of the burden on peasants should be considered a major task to protect and boost peasants' enthusiasm for production. We should strictly carry out the State Council regulation that peasants' burden should be kept within five percent of their per-capita net income of the previous year, and no locality and department are allowed to exceed the limit. We should conscientiously examine the documents on collecting fees from peasants and resolutely abolish all the unwarranted burdens on peasants. We should exert efforts to support the poor. Now, we should realistically solve the practical problems, such as a shortage of funds for agricultural loans, excessive rises in the prices of capital goods, and the failure to distribute capital goods to lower levels; concentrate manpower and material and financial resources to prepare for ploughing and sowing and grasp spring farming; and strive to reap a bumper agricultural harvest.

We should vigorously develop town and township enterprises. Over the past two years, our province has ceaselessly made a breakthrough in developing town and township enterprises. The development of town and township enterprises not only helps increase the input to agriculture and expand the rural economic strength but also plays a key role in readjusting the industrial structure, alleviating the financial difficulties, changing the managerial mechanism of large and medium enterprises, promoting the coordination of the urban economy and the rural economy, and speeding up the development of the overall economy. With many large industrial enterprises, our province enjoys exceptional advantages and has great potential for developing town and township enterprises. We should grasp the current favorable

opportunities and persist in the principle of "giving free rein to development, promoting the development in a step-by-step manner, optimizing the structure, and conducting intensive management" so as to enable town and township enterprises to step onto a new stage. We should further relax the policy restrictions, continue to give necessary support in the aspect of capital, and ensure that the loans to support the development of town and township enterprises must not be less than 3.5 billion yuan this year. We should persist in the method of pooling the efforts of several layers and the method that several wheels are turning at the same time. In particular, we should go all out to enable towns and townships to rapidly develop the private and individual sectors of the economy. We should positively carry out the shareholding cooperative system, advocate the method of becoming plants' shareholders with capital and technologies, encourage town and township enterprises to boldly use foreign capital, develop "three types of foreign-funded" enterprises and the "industries of "processing with supplied materials and samples and assembling with supplied parts as well as compensation trade," and try every possible means to enter the international market. We should persistently grasp development with one hand and improvement with the other. The coastal areas and the areas with rapid economic development and the economically powerful areas along the Shenyang-Dalian Expressway should concentrate energy on improvement of the standing and expansion of the scale so as to make good development. The areas with a poor foundation and the areas where the economy develops slowly should be determined to make a breakthrough in the development within a short period of time and strive to narrow the gaps with the advanced areas. We should make a good plan for developing town and township enterprises, advocate the development of small industrial areas and small commercial and trading areas, and coordinate the development of these areas with the construction of small towns. We should speed up the implementation of the "221 project" and set forth higher demands for the targets that have been realized. This year, we should ensure that the total output value of town and township enterprises of 11 counties (district) should individually surpass 2 billion yuan, that of 190 towns and townships should individually surpass 100 million yuan, and that of 950 villages should individually surpass 10 million yuan.

C. We should focus on developing and perfecting the market system and enlivening the circulation spheres and vigorously develop tertiary industry.

The level of development of the tertiary industry is a key indicator for judging the degree of the economic development of the current society. Thus, speeding up the development of tertiary industry not only is a measure to readjust the ratio among the primary, secondary, and tertiary industries, to optimize the national economic structure, and to speed up the capital accumulation but also helps create conditions for deepening the development of reform and opening up, lightening the pressure

on employment, and improving the socialized service quality and the people's livelihood. We should further upgrade our understanding of the important significance of vigorously developing the tertiary industry, conscientiously implement the CPC Central Committee guidelines and the State Council decision on speeding up the development of the tertiary industry, emancipate the mind, perfect the planning, enliven policies, and widen the ways to greatly promote the development of the tertiary industry.

We should exert great efforts to grasp the setup of the market system dominated by specialized wholesale markets, particularly the markets for capital goods. This year, we plan to invest 180 million yuan in building, renovating, and expanding 45 means of production markets. In particular, we should concentrate efforts on grasping the construction of such markets as rolled-steel, machinery and electric products, petroleum, chemical industrial, building materials, and nonferrous metal markets. We should gradually turn them into state-grade markets, and enable our province which is a production base of the means of production to rapidly become a goods purchasing, marketing, and exchange center. Continued efforts should be made to build and expand the construction of a number of farm and sideline products wholesale markets, improve the consumer goods markets, and support the development of grain markets to cope with the new situation of decontrolling grain prices. We should solve the difficulties in buying and selling grain and safeguard the enthusiasm of peasants in grain production. Meanwhile, we should also accelerate the building of such markets as personnel, technology, labor service, information, and real estate markets. The implementation plan for the reform of the housing system must be put into practice this year. It is necessary to improve the market laws and regulations, strengthen market management, and guarantee a sound market development.

We should emphasize building communications and telecommunications and strengthen the building of the service system. This year, we should extensively open up the channel for collecting funds, give priority to building high-grade highways, accelerate the renovation of county-and township-level highways, increase 1,700 km of asphalt road surface in counties and townships, and renovate 1,400 km of roadbeds; actively develop ocean transport, accelerate the opening of seaways from our province to the ROK and Shandong peninsula, and develop sea-land relay transport and containerized transport services in an effort to alleviate the strain on railway transport. Further efforts should be made to improve the telecommunications conditions. This year, we should increase 500,000 urban telephone lines and 80,000 rural telephone lines. We should actively develop social service undertakings such as accounting, auditing, law, intermediary, consulting, advertisement, warehouse and storage services as well as professional training and provide services for helping enterprises march toward the market. We should actively develop commercial,

catering, service and repair trades that provide convenience to the people, fully develop and use the tourist resources, and actively develop new industries such as tourism.

With an emphasis in the social old-age insurance and unemployed insurance, we should accelerate the building of the social security system, further improve the social insurance system, and actively place all sorts of insurance programs under social management. It is necessary to raise the ability of the province and cities in pooling unemployment insurance funds, and strive to make a majority of enterprises and workers to participate in the program of financing the unemployment insurance funds this year. We must make good and flexible use of the unemployment insurance funds, give full play to the role of such funds in the course of changing enterprise operational mechanism and transferring surplus workers to other enterprises, and further improve the old-age insurance, medical insurance and industry injury insurance of workers; establish and improve the rural and the rural economic compensation systems as well as the guaranteed system. Meanwhile, we should accelerate the development of commercial insurance program.

We should mobilize the enthusiasm of all sectors to develop tertiary industry. It is necessary to implement the system of pooling the efforts of all economic sectors, the urban and rural areas, and the large, medium, and small enterprises, traditional industries and new industries; and encourage and mobilize all trades and professions to run the tertiary industry. We should also extensively mobilize social forces and absorb social idle funds for running the tertiary industry which includes all categories of basic industries, and particularly give a free hand to individual and private economic sectors in this regard. We should uphold the principle that one who makes investment will own the plant and take the benefits, break with the practice of being monopolized by a certain trade or region, and encourage transtrade and transregional business; encourage the surplus workers of organs, enterprises, institutions and units to engage in the tertiary industry; encourage industrial enterprises with poor efficiency or running in the red to change their business to the tertiary industry; and encourage the tertiary industrial enterprises with economic strength to merge with industrial enterprises. We should promote the enterprises of tertiary industry shift their business mechanism by deepening reform. In particular, we should have the tertiary industrial departments under enterprises which are rendering services for their affiliated enterprises gear themselves to society and truly become economic entities conducting management independently and being responsible for their own profits and losses. As for a large number of small stores and centers of the state-run firms and cooperatives, we should enforce the joint ownership of the state and cooperative and have individuals operate them. In line with state arrangements, a good job should be done in conducting railway transportation and the price reforms of coal, crude oil, electrical power. We should relax

restrictions on the prices of a large number of commodities managed by the provincial authorities and create conditions for fostering markets and developing tertiary industry. Meanwhile, attention should be paid to bringing the general level of commodity prices under control. We should extensively open the fund sources of tertiary industry, increase the scope of loans for tertiary industry by making financial arrangements of interest subsidies, and support tertiary industry to accelerate its development.

D. We should accelerate the pace of opening up, expand its scope, and upgrade its level.

In facing the new situation of establishing socialist market economic systems and of restoring the position of our country in the GATT, it is inevitable for us to accelerate opening up. We should seize the golden opportunity of the present, firmly foster the viewpoints of large-scale economy and trade, and further open a greater space of economic construction.

We should upgrade the level of utilizing foreign capital by regarding the technical "grafting" and renovations of out-dated enterprises as an emphasis. Practices scored over numerous years show that the technical "grafting" and renovations of out-dated enterprises will not only introduce foreign capital, technologies, management, and markets; but will also form the business mechanism of "three types of foreign-funded enterprises" and facilitate contacts between the province and international markets. These practices represent an effective way to radiate the vigor of old industrial bases' youth. The province will select 100 large and medium enterprises and a number of small enterprises this year as targets for inviting foreign investment for joint ventures, cooperation, and technical "grafting" and renovations. We should continuously explore and expand the fields of utilizing foreign funds and enforce preferential policies. We should attract foreign businessmen to conduct urban reform and large scale land development in our province. We should also attract them to engage in extensively processing farm and sideline products in our province and to opening the business of commerce, communications, transportation, international tourism and trade, banking, and insurance. In particular, we should attract large foreign financial groups, large corporations, and transnational companies to invest their money in the province and to open high-and new-tech projects and large projects that reflect the level of contemporary economic development.

We should upgrade the level of foreign exchanges earned through exports by regarding the readjustment of the structure of export industries and products as an emphasis. Efforts should be made to increase the technical contents of machinery and electric products and to increase the exports of farm, sideline, local, and special products whose value has been increased; and the exports of light and textile industrial products that have been extensively processed. A good job should be done in establishing the bases of export commodities of science,

industry, and trade. While accelerating the shift of business mechanisms of foreign trade companies and bringing the main-channel role of these companies into full play, we should smash the bounds between domestic and foreign trades and encourage a large number of the state-owned large and medium enterprises and township enterprises to enter international markets. We should also actively support the enterprises that have practical strength to go abroad to invest their money in opening plants or organizing transnational companies and firms. Efforts should be made to enhance management over established enterprises in foreign countries and to enable them to become the "window case" of broadening commodity sales in foreign countries as well as economic and technical cooperation. We should vigorously increase foreign exchanges earned through nonexports and expand labor migration and technical exports. By making use of the channels of friendship established between the cities of our province and foreign countries, we should broaden exchanges and cooperation with foreign countries and open international markets in all directions. While consolidating and broadening markets in Europe, America, Japan, Hong Kong, and Macao, we should vigorously open markets in the ROK and CIS as well as markets in neighboring countries and regions. Efforts should be made to increase the proportion of trade volume in these markets and to multiply trade volume. We should continuously carry out large-scale exhibition sales, invite investments and broaden overseas propaganda work to upgrade overseas exposure of our province.

We should improve the investment climate by focusing on accelerating the construction of development zones. Dalian should learn from the policies of special economic zones for all fields and succeed in the construction of the bonded zone and foreign banks, the development of large tracts of land, and the construction of tourist areas. The Shenyang and Yingkou economic and technological development zones and the Dandong border economic cooperation zone should be made successful. The Shenyang, Yingkou, Dandong, Jinzhou, and other development zones should build bonded warehouses on a trial basis. All localities should concentrate efforts on the construction of the development zones funded by themselves in line with the principle of overall planning, acting according to their capacity, emphasizing practical results, and achieving snowball development. While striving to improve the tangible conditions for investment, we should pay particular attention to improving the intangible conditions, standardize the work involving foreign nationals according to international practice, expedite the training of the personnel engage in such work, enhance their sense of service, and improve their work quality.

E. We should adhere to the strategy of developing Liaoning with science, technology, and education and accelerate the development of science, technology, and education.

We should achieve scientific and technological progress more rapidly and facilitate the transformation of scientific and technological achievements into real productive forces. We should continue the principle of relying on science and technology in developing economic construction and gearing scientific and technological work to the need of economic construction; and we should intensify scientific and technological research to solve the problems in economic development that require urgent solutions. This year, we should particularly do a good job in starting the 50 projects to industrialize high and new technology; develop 100 new products of high technology content, good economic efficiency, and strong competitive edges; and disseminate 700 scientific research achievements that have high technological level and fairly great influence on the overall development. We should deepen the reform of the scientific and technological system in line with the principle of "stabilizing basic research, lifting control on a large number of institutions, adjusting their structure, and diverting their personnel to other areas" so that scientific research units will truly become market-oriented and independent technological and economic entities. Scientific research units and colleges and universities should be encouraged to cooperate with enterprises, to develop along the direction of integrating their scientific work with industry and trade or with agriculture and trade, and to actively explore a new way to effectively combine science and technology with the economy. We should formulate preferential policies to actively support and boldly develop nongovernment scientific research entities. This should be regarded as an important part of our future reform of the scientific and technological system and should be carried out successfully. We should protect intellectual property rights, strengthen the patent work, train scientific and technical personnel and managerial personnel to become proficient in both technology and business, and promote the application of patented technology. We should increase the investment in science and technology through various channels and gradually turn enterprises into major investors in science and technology. We should intensify construction of the bases for intermediate experiments, give priority to the construction of engineering and technological centers for the production of ready-made traditional Chinese medicine and other projects, and industrialize scientific research achievements more rapidly. Efforts should be continued to develop well the Shenyang, Dalian, and Anshan national-level high- and new-tech development zones and to step up the initial construction of the Jinzhou and Liaoyang provincial-level scientific and technological development zones so as to gradually establish a high- and new-tech industrial development belt in Liaodong Peninsula. We should attach importance to the research of social sciences and promote a coordinated economic and social development in the province.

As education is the foundation for scientific and technological progress, it should be placed in a strategic positions for development on a priority basis. We should

conscientiously implement the party's education policies, adhere to the socialist orientation of developing schools, greatly strengthen elementary education, make the nine-year compulsory education universal, achieve success in special and preschool education, and conscientiously implement the "hope project." Based on the requirement for developing the market economy and opening wider to the outside world, we should further adjust the disposition of the faculties of the schools of higher learning, optimize the structure of specialties, and reform the curricula and teaching methods. We should improve student recruitment and job arrangement methods and, on the premise that state tasks are fulfilled and teaching quality is ensured, expand the training programs entrusted by other units, and increase the number of self-funded students. We should continue to develop the diverse forms of vocational and technical education and should particularly develop adult education focusing on on-the-job training for office staff and workers, on training for unemployed personnel, on training for the army men transferred to civilian work, and on continued education for technical and managerial personnel. We should continue to run teacher-training education, comprehensively improve the quality of teachers, and vigorously promote respect for teachers and stress education. Along with the development of the economy, we should gradually increase the input in education and strictly forbid the diverting of educational funds to any other purpose. The provincial government has decided that the 44 million yuan earmarked for improving institutions of higher learning should be used for another five years. We should vigorously advocate the method of running schools with the funds raised through diverse channels and forms and should encourage the people to run schools in order to gradually change the method that the state takes charge of everything concerning education. We should be determined to change the situation in which the burdens on primary and middle school students are too heavy and primary and middle schools wantonly collect charges and fees so that we can actually solve the problem with regard to the unpaid wages to teachers in rural areas.

F. We should continuously improve financial situation and further enliven the finance.

This year, there are relatively more factors for increasing expenditures and reducing revenues, and thus we should not be optimistic about the financial situation. The basic way to tackle financial difficulties lies in economic development. We should correctly handle the relations of interests among the state, localities, and enterprises. We should conscientiously implement the policies of the state and the province with regard to invigorating large and medium state-owned enterprises. The money that should be collected from, retained by, or returned to enterprises should be done to enhance enterprises' capacity of self-renovation and self-development. By closely combining the practice of "providing water for raising fish" with the practice of "allowing fish to enter the sea," we should encourage enterprises to march

toward markets and enhance their competitiveness and should try every possible means to conserve the financial resources of large and medium enterprises. At the same time, we should make great efforts in cultivating new financial resources and increasing financial revenues through diverse channels. We should persistently administer taxes according to laws. We should collect the taxes that should be collected and support the enterprises that should be supported. We should vigorously advocate the spirit of arduously pioneering undertakings and doing everything through thrift and hard work. We should strengthen the management of budget, persistently keep expenditures within the limits of revenues, continue to lead austere lives, and strictly control the advance consumption of social groups. Governments at all levels should reduce nonpermanent organs by a large margin and strictly fix the size of staff. This year, governments should cut their expenditures on administrative affairs by 10 percent from last year's. We should further reduce financial subsidies, increase the proportion of the funds utilized on a paid basis, and improve the results of fund utilization.

We should make efforts to enliven the finance. Shortage of credit funds remains a conspicuous problem which hampers economic development this year. We should deepen the reform of the financial structure, actively organize savings deposits, open up more money-lending channels, and expand the source of funds. We should try every possible way to be flexible in us to existing funds, optimize credit structure, accelerate the turnover of funds, and improve the results of fund utilization in order to support the development of production. In particular, we should release a certain amount of money to actively support the development of some new economic growth points. We should vigorously develop and perfect the banking market. While giving full play to the role of existing financial and insurance institutions, we should strive to attract national and regional financial institutions to set up branch organs in the province, strive to open foreign banks in Shenyang, successfully run the Shenyang Stock Exchange Center, run the foreign exchange open market on a trial basis, and make preparations for running stock exchanges. At the same time, we should enable a small number of enterprises in the province that have a good reputation and are efficient to win the state allowance for openly issuing and selling stocks to the public. We should rapidly organize the regional money-lending network, vigorously increase the category of banking assets, such as bank bonds and trust benefited bonds, and strive to increase the issuance of such bonds. We should strengthen the building of urban and rural credit cooperatives and give play to the role of rural cooperative foundations in order to further enliven the banking work. We should support banking departments to "fix the amount of loans based on market situation and on efficiency," attend to the rational disposition of funds, and alleviate fund shortages to a maximum.

G. We should strictly control the population growth rate and strengthen environmental protection and land management.

Family planning is a basic state policy. We should unswervingly continue to implement the system of responsibility for the fulfillment of the birth control quotas and ensure that the annual population birth rate and natural growth rate are controlled within 15.55 per thousand and 9.42 per thousand. Along with the development of the socialist market economy, the floating population tends to increase every day, so we should explore new methods for strengthening the management of family planning. We should continue with the healthy birth and sound upbringing policy. Simultaneously, we should conscientiously achieve the work toward the aged and the handicapped.

We should vigorously strengthen environmental protection. We should strengthen the people's awareness about the environment, strictly enforce various environmental protection laws and regulations, and resolutely end the illegal activities of damaging the natural resources and the ecological environment. We should coordinate the overall improvement of the environment with the protection and overall utilization of natural resources, bring the environmental work in line with the national economic and social development plan, and promote coordinated development of the economy and the environment. New projects that might seriously pollute the environment must not be approved. Those that have been built should add environmental improvement projects within a definite time. We should strictly follow the regulations on levying pollutant drainage charges and pay firm attention to the development of the "blue water project" with the main content of improving the water quality. We should positively develop "green products" and environmental protection industries.

We should strengthen urban and rural land management. We should resolutely implement the "land management law" and strictly investigate and handle the unlawful activities of exceeding authority to make land approvals, occupying land, and transferring the possession of land. The occupation of land for nonagricultural construction should be strictly controlled, and the existing cultivated areas should be kept. This year, we should develop and reclaim 250,000 mu. We should work at urban land registration and define land rights. It is necessary to expand, in a step-by-step manner, the scale of paid use of state land and to carry out the system of paid use of collectively owned land. In regard to the reform of the land marketing form, the governments should monopolize the first-grade land market, decontrol and enliven the second- and third-grade land markets, and upgrade the land property efficiency to the maximum.

We should realistically strengthen urban construction. We should strictly enforce the "urban planning law" and ceaselessly improve and conscientiously carry out the overall urban plan. It is necessary to speed up the reconstruction of the old city proper and improve the

urban infrastructural facilities with the focus on the construction of water and gas supply projects, transportation facilities, and houses. We should strengthen urban management; create good investment, production, and living environments; further perfect the city functions; and achieve the construction of villages and towns.

H. We should persistently grasp the economic construction, reform, and opening up with one hand and grasp the improvement of the spiritual civilization with the other so as to upgrade the improvement of the socialist spiritual civilization to a new level.

The development of the market economy has set new higher demands on the improvement of the socialist spiritual civilization. We must study the new special features and ways of the spiritual civilization under the new situation, realistically improve and strengthen the leadership over the improvement of the spiritual civilization with the focus on the economic construction, and persistently and firmly attend to both the economic construction and the spiritual civilization. Only when we make achievements in the spiritual civilization will there be socialism with Chinese characteristics.

Arming the people of the province with the theory on building socialism with Chinese characteristics is the primary task for strengthening the socialist spiritual civilization. We should organize the vast number of cadres and people to deeply study the guidelines of the 14th CPC Congress and the works of Comrades Mao Zedong and Deng Xiaoping. Comrade Mao Zedong's 100th birthday falls in 1993. In line with various memorial activities, we should deeply study and understand Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and further strengthen the awareness of persisting in the basic line of the party.

We should deeply conduct education on socialism, patriotism, collectivism, and modern and contemporary history among the people across the province, particularly young people; and carry out extensive activities on learning from Lei Feng and other advanced models. Liaoning is the second native place of Comrade Lei Feng. This year also marks the 30th anniversary of inscriptions for Comrade Lei Feng written by Mao Zedong and other revolutionaries of the older generation. We must conduct in-depth and realistic learn-from-Lei Feng activities; unswervingly carry out Army-people and police-people joint activities to build civilized units and strive to cultivate persons of a new type with ideals, ethics, culture and the sense of discipline; and give full play to the advantages of ideological and political work and boost the enthusiasm of the masses of people in joining the "second pioneering work."

We should give full play to the role of all social work in the course of building spiritual civilization. The press, publication, radio, and television units should adhere to a correct media guidance, publicize the spirit of the

times, and encourage the people to work hard and make progress. The literary and art sectors should strive to provide intellectual products with distinguished features of the nation that eulogize reform, opening up, and modernization construction and have artistic charm; extensively carry out the mass cultural and recreational activities which mainly aim at entertaining and educating oneself in an effort to mould a person's temperament; unswervingly launch the "antipornography" struggle and the struggle against "six vices," and resolutely check the spread of this socially repulsive phenomena. In public health work we should unswervingly raise the medical quality and the service level and do a good job in maternity and child-care work, planned inoculation, and the prevention and treatment of infectious, endemic, and professional diseases; accelerate the planning and building of a number of central health clinics in townships and towns, strengthen medical cooperation between urban medical units and medical units in the outlying areas, and rapidly end the situation of lacking doctors and medicines in these areas; actively explore methods to establish the three-level health-care network in the rural areas, continue to carry out patriotic public health campaigns and raise the health level of the people. We should deeply conduct mass sports activities, unswervingly raise the skill level in competition, conscientiously prepare for the seventh national sports meet, be determined to strive for the best achievements, win honor for the people across the province, and inspire the will of the people to work industriously for the four modernizations. Along with economic growth, governments at all levels should gradually increase input in social work and do a good job in building some essential facilities. However, to fundamentally accelerate the development of social work, we must expand the degree of reform in line with the demand of developing the socialist market economy, eliminate the influence of the unitary planned economic system and the unitary ownership structure, invigorate the internal vigor, enhance the self-development capacity, and serve the "second pioneering work."

We must stress the "building" of spiritual civilization and pay attention to actual results. In carrying out all activities, including the ideological, educational, propaganda and mass media, and literary and art activities, as well as the activities on building spiritual civilizations, we should take the "second pioneering work" as the main subject, proceed from reality, formulate work plans, set specific targets to be attained during a certain period of time, adopt practical measures, and promote the building of spiritual civilization at the grass roots of the urban and rural areas. We should make special efforts to grasp firmly some problems in the management of cultural markets which cause the masses to complain strongly, problems with the professional ethics and work style of medical workers and in dealing blows to the socially repulsive phenomena, and we should strive to achieve noticeable results this year.

I. We should strengthen the building of socialist democracy and the legal system.

The more we develop the socialist market, the more we need to strengthen the building of the socialist democracy and the legal system. We should give further play to socialist democracy, create all sorts of favorable conditions, enhance the sense of political participation of all the people, and supervise and help the governments at all levels to do their work well. Governments at all levels should conscientiously report their work to the people's congresses and their standing committees of the corresponding level, resolutely carry out the resolutions and decisions made by the people's congresses and their standing committees of the corresponding level, and consciously take legal and work supervision. We should take the initiative in strengthening ties with the mass organizations, including the CPPCC, democratic parties, nonparty patriotic personages, Trade Unions, Communist Youth League [CYL], and Women's Federations; and consciously place ourselves under democratic supervision. It is necessary to conscientiously handle the suggestions, criticism, and opinions raised by deputies and the motions raised by the CPPCC committee members; do a good job in handling people's letters and visits; and see to it that all cases will be handled and all affairs will be settled. We should accelerate the building of democratic and scientific policy-making systems and procedures, give full play to the role of all kinds of specialists as well as research and consulting organs, strengthen the building of grass-roots political powers, and give full play to the role of the neighborhood committees and the villagers' committees. Further efforts should be made to strengthen nationalities work; accelerate the development of economic, cultural, and educational undertakings in minority areas and among minority nationalities; and promote great unity among the people of various nationalities. We should do a good job in the "double support" work under the new situation, strengthen unity between the Army and the people and between the Army and the government, further expand the patriotic united front, implement the religious and Overseas Chinese affairs policies and do a good job in carrying out work toward Taiwan.

We should pay great attention to building the socialist legal system. In a certain sense, a market economy is a legal system economy. We should continue to implement the "second five-year" law popularization plan, conscientiously carry out activities on running the province in line with law, and give special attention to propaganda and education on the relevant economic laws and regulations. It is necessary to accelerate the pace of administrative legislation; step up efforts to formulate laws, regulations, rules, and policy stipulations for safeguarding reform and opening up and for promoting socialist market economic development in line with legal procedures; and clarify, revise, or abolish the laws, regulations, rules, and policy stipulations that go against the development of the socialist market economy. We should give full play to the functional role of the administrative and law enforcement departments and

strengthen law enforcement supervision and inspection. Currently, we should consider supervising and inspecting the implementation of the "enterprise law," the "regulations on changing the operational mechanism of state-owned industrial enterprises," and the "regulations on peasants' levies and labor service management" as the priorities; prevent and check the phenomena that what one says is law and one's power is law, and the phenomenon of disrupting law enforcement; and resolutely check and overcome the act of not observing laws which have been enacted, failing to strictly enforce laws and giving due punishment to law-breakers, pay special attention to digging the roots and finding the sources of the law-breaking and criminal activities of manufacturing and selling fake and inferior medicines and food-stuffs that directly affect and endanger the life of the masses, and mete out strict punishment in the regard.

We should realistically grasp the work of comprehensively improving public security, strive to improve social security, further strengthen measures for comprehensively improving the public security work at the grass-roots level, do a good job in mass security work, establish the people's police patrol system, and strengthen management over major areas and units with striking security problems; strengthen the safety and security work of key enterprises and important units, and strictly investigate and handle the law-breaking and criminal acts of retaliating, injuring, beating, and threatening the legal representatives of enterprises. We should uphold the principle of "dealing strict blows to criminals," deal strict blows to all sorts of criminal offenses and activities, mete out punishment to serious economic offenses in line with law, and pay special attention to dealing strict blows to gangs of hooligans who play the tyrant in their home villages or towns and seek hegemony in some areas, and criminal activities involving the underworld society. We should combine the efforts of special organs with the masses and exert efforts to raise the rate of cracking criminal cases; strengthen the work of supervising and managing criminals and transforming those undergoing reeducation through labor, raise the quality of transforming criminals, and reduce the number of repeated crimes. We should strengthen the ideology of state security, deal blows to the subversion and sabotage activities launched by hostile forces and elements, adopt practical and effective measures, do a good job in building administrative and law-enforcement contingents, raise the quality of law-enforcement personnel and resolutely dismiss those who are not fit to work in administrative and law-enforcement departments; and strictly investigate and handle those who violate laws and discipline and never be softhearted toward them.

It is necessary to strengthen education on national defense, enhance the sense of national defense, do a good job in conscription and reserve duty work and in putting the work of the people's militia on a solid basis organizationally, politically, and militarily and give full play to the role of the broad masses of militia and reserve duty force in building the two civilizations.

4. Strengthening the Government's Self-Construction

The new government will shoulder the glorious mission of leading the people of all nationalities throughout the province to implement the 14th CPC National Congress guidelines, to establish the socialist market economic system, to carry out the "second pioneering work," and to push the economy to a new stage as quickly as possible. Thus, the government must adapt itself to the new situation in ideology, management, leadership, and work style with a view to raising the self-construction to a new level.

We should further emancipate our minds and change our thinking. The practice since the third plenary session of the 11th CPC Central Committee shows that whether our minds are emancipated decides to some extent the depth of reform and the speed of economic construction. Affected by various historical and practical factors, the province's task on emancipating the mind is even more arduous and even heavier. We must conscientiously study and implement the guidelines of the 14th CPC National Congress and persist in the principle of not only emancipating the mind but also seeking truth from facts. We must have the courage to negate the concepts and conclusions that have existed for a long time and have been proven to be antiquated, to break with unscientific and even distorted socialist ideas, and to smash the trammels of the abstract disputes on the question of "socialism" or capitalism. We should judge the success and failure of the work based on whether the work is conducive to developing the socialist productive forces, enhancing the comprehensive strength of the country, and improving the people's living standards. Among the vast numbers of cadres and the masses, we should energetically advocate the spirit of daring to try a thing, take a risk, look at a question differently, and be pioneering and creative in our work. We should firmly foster the sense of market, the sense of competition, and the sense of efficiency that are in agreement with the socialist market economy. In particular, we should subject and gear the work in all fields to the center of economic construction without any deviation and interference. We should correct the mistakes in reform and protect reformers. The reform measures do not work should be corrected openly with a view to creating a provincewide environment in which the people can think and act freely, are keen in making progress, and engage in economic construction with one heart and one mind.

We should rapidly change the functions of the government and actually improve service. In accordance with the principles of "separating government administration from enterprise management, separating government from institutions, controlling major affairs, and decontrolling minor affairs," the government should change from primarily managing the economy directly to managing it indirectly; should concentrate on planning, coordination, supervision, and service; should strengthen

and improve auditing, statistical, and economic supervisory work; and should apply legal, economic, and administrative means to guide and regulate economic operation. We should strive to liberate and develop productive forces with a positive attitude and in appropriate steps. We should accelerate the reform of administrative organs and personnel system and rapidly draw up and set forth the plans for reforming the organizations at the provincial and city levels. The reform of county-level organizations should be done gradually, and the reform of township or town organizations should be put in place as quickly as possible. If an organization whose function overlaps and duplicates another one or whose vocational work is similar to that of another one, it should be abolished or merged with the other. If possible, we should actively turn the economic management departments and institutions into business service entities as quickly as possible and should manage them like enterprises. Office cadres should be educated to take into account the overall situation, to enthusiastically support and actively participate in the reform of organizational and personnel systems, and to maintain the normal work schedule.

We should further improve the art of leadership. The task for the "second pioneering work" is much more arduous than that for the "first pioneering work," and the situation is much more complicated. We must persist in going deep into the reality to conduct investigation and study and must resolutely overcome rigid ideas and bureaucratism. Particularly, it is a brand new task for us to establish the socialist market economic system. We must persist in the materialist dialectics and improve our ability to control the market economy with a strict scientific attitude and a bold spirit of exploration. We should neither blindly copy the practice of others nor compete with one another to the neglect of the objective conditions. We should be good at proceeding from the reality of the localities and departments to study and work out major breakthroughs and strive to pioneer ways for economic development. In regard to the buildup of leading bodies, we should persist in the principle of ensuring that the ranks of cadres have lofty ideals, morality, education, and a sense of discipline as well as the criterion of having both ability and political integrity; accurately and justly select personnel from all corners of the country; and judge their political achievements. No contributions will be faulted. We should have the daring to use the cadres who have emancipated the mind, boldly do pioneering work, try things bravely, and have made prominent political achievements. Those with outdated ideas, without the spirit of reform and blazing new trails, with average political achievements, and without making real contributions for a long time should resolutely be removed from their posts if they refuse to change their ideas. The leading bodies at various levels should be unified with one another. Unified leading bodies have cohesive power, combat effectiveness, and new productive forces. Organs should further strengthen the improvement of administrative honesty. The vast number of cadres, particularly leading cadres, should regard Comrade Jiang Zemin's advocacy of "not seeking fame and wealth and performing official duties day and night" as their motto; set an example; and take the lead in fostering the practice of being honest and

diligent in performing official duties and being fair-minded and efficient. We should strengthen the supervision over the administrative work; resolutely correct unhealthy practices in trades; resolutely end the corrosive phenomena of indulging in lavish wining and dining, wantonly issuing cash and material awards, using public funds to make trips, and being wasteful and extravagant; and investigate and handle the unlawful and undisciplined cases of abusing power for selfish ends, trading in power with money, practicing corruption and bribery, and extorting expenses from the people. We should continuously perfect the supervisory mechanism of linking law with mass media and democracy and make government work more visible to the public. We should strengthen the cooperation and assistance between various departments and between various regions and try every possible way to upgrade the work efficiency. The governments should narrow their relations with the people and create a good image among the people.

We should further improve the work style and do our work in a down-to-earth manner. The governments at various levels and their departments should firmly foster the purpose of serving the people wholeheartedly; enhance the awareness of being public servants; and resolutely overcome the long-standing unrealistic work style of more lip-service but fewer concrete deeds and of more ordinary calls but fewer specific instructions. According to the requirement for "doing the second pioneering work," all localities and departments should work out plans; define annual work targets; set up strict responsibility and assessment systems; ideologically, practically, and organizationally ensure the fulfillment of the systems; and avoid practicing formalism and empty slogans. We should do solid work to bring about real development to Liaoning and bring about real benefits to the people. We should boldly do the things that have been proved accurate and unswervingly implement the things that have been decided. As for the things that cannot accurately be judged, we should do them on a trial basis, do them before judgment, or do them but not make a judgment. The better the situation, the more we should keep sober-minded, pay attention to solving the new situation and problems cropping up in the course of economic development, and avoid creating big losses. We should be concerned with the people's livelihood and pay attention to solving the practical problems in the people's livelihood. We should be determined to reduce meetings and documents, free ourselves from the larger amounts of complicated and trifling affairs; be sure to take the overall situation into consideration, attend to the macroeconomy, discuss major affairs, solve major contradictions and major problems, eliminate weak links, and create a new work situation.

Fellow deputies: The coming five years is a key period in the province's reform, opening up, and socialist modernization. It is certain that we will be confronted with one kind of difficulty or another and setbacks cropping up in the course of advance. Only when we work under the

guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, closely rally around the party Central Committee with Comrade Jiang Zemin as its nucleus, work under the leadership of the Liaoning Provincial CPC Committee, conscientiously implement the guidelines of the 14th CPC Congress, unswervingly implement the basic line of the party, emancipate the mind, seek truth from facts, mobilize enthusiasm, work arduously, and make concerted efforts will we be able to elevate the economy to a new stage, realize the target of doing the second pioneering work, and achieve new success in developing all undertakings.

Northwest Region

Xinjiang Leaders on Seizing Opportunities

OW1404043093 Urumqi XINJIANG RIBAO in Chinese
17 Mar 93 p 1

[Report on interview with Song Hanliang and Tomur Dawamat by Yan Fengli (2518 7685 0448) on 16 March; place not given: "Seize Three Great Opportunities and Carry Out Four Tasks"]

[Text] To narrow as soon as possible the gap between Xinjiang and inland provinces and regions is the goal to which more than 1.6 million people of various nationalities in Xinjiang aspire day and night. During an interview with this reporter in the afternoon of 16 March, Song Hanliang and Tomur Dawamat, deputies to the Eighth National People's Congress [NPC], said: To achieve this goal, Xinjiang must seize opportunities, bring its strong points into play, and carry out four tasks in economic development.

Speaking with fervor and assurance, Song Hanliang reviewed Xinjiang's situation: In the 14 years since reform and opening up, Xinjiang has made great progress in development. Especially since Comrade Xiaoping's talks in his southern inspection tour, people across Xinjiang have developed a keen sense of urgency, worrying about missing opportunities and about failing to catch the "bus." Since the central authorities put forward the policy of opening up across the board and carried out the strategy of opening up areas along the coast, the Chang Jiang, and the border to the outside world, Xinjiang has suddenly transformed itself from a closed interior region into a frontline area that opens to the outside world. This has presented a rare opportunity for Xinjiang's development. The autonomous regional party committee and the people's government have shown a determination to grasp this opportunity, to catch the "bus," and to do everything they can to drive in the fast lane of economic development. To achieve this end, the autonomous region formulated and implemented in May the development strategies of "opening up along two lines" and "giving priority to trade." These strategies have helped Xinjiang make tremendous progress in opening up to the outside world. Local border trade has become an important pillar of our region's

foreign trade, which, in turn, has increased significantly. The passenger and cargo transport volume has multiplied. The region has made extraordinarily active efforts to woo businessmen and investments and to conduct economic and technological cooperation with foreign countries. The number of enterprises that invest outside the region has increased rapidly to 210, leading to flourishing tourism and trade. The number of open border ports has increased to 14, and 10 trading points for people in border areas have been set up. A series of important measures designed to promote opening up to the outside world, including the trade fair held in connection with the "Spark Program," trade talks in Urumqi, and the opening up of six cities, have enlivened the dormant society. Like a spring breeze, the further deepening of reform and opening up has inspired confidence in people of various nationalities about their future. The past year can be described as extraordinary.

Song Hanliang did not appraise these achievements in unduly glowing terms. He maintained: We have just opened a breach in the wall of opening up to the outside world; strictly speaking, this is just the beginning. Only if we make continuous efforts this year can we make opening up an irreversible trend.

He soberly analyzed the grim situation facing Xinjiang, saying: The gap between Xinjiang and the interior—coastal areas in particular—continues to widen. Competition in Central Asian markets is very stiff, and we may lose our advantageous position at any time.

How do we narrow the gap between Xinjiang and the hinterland and lead Xinjiang's economy into the stage of sound and rapid development? Song Hanliang and Tomur Dawamat maintained: We should bring our region's three strong points—its vast territory, small population, and rich resources—into full play and seize three great opportunities arising from 1) the state's implementation of the strategy of opening up along the border areas; 2) the state's westward shift of its focus of oil exploration, which has made Xinjiang a key area in China's oil exploration; and 3) the accelerated development of transportation, communications, and other infrastructure projects as a result of the opening of the Euroasian continental bridge and the reconstruction of the Lanzhou-Xinjiang multiple-tracked railroad.

To embrace these three great opportunities, Song Hanliang and Tomur Dawamat said: From now on, we must conscientiously carry out four tasks.

To carry out the first task, we should build an international route in the northwestern region. The implementation of the strategy of opening up along the border has turned Xinjiang into a gateway to Europe, the most convenient and shortest land route linking China with Europe, and a junction between domestic and foreign markets. We should make full use of this change to build Xinjiang into a truly international route and to achieve maximum growth in passenger and cargo transport volume.

To carry out the second major task, we should improve and expand border trade. We should bring along the development of other industries through border trade. We should continue to conduct bilateral and entrepot trade, encourage large and middle-sized enterprises to invest and set up factories outside of Xinjiang, organize to the greatest possible extent two-way tourism and trade on an equal footing, expand trade among people living in border areas, increase construction and trade, and establish border trade cities to bring prosperity to border residents as soon as possible.

To carry out the third task, we should quicken the development of oil exploration. As the state shifts the focus of oil exploration to the west, we should make all-out efforts to help the state build Xinjiang into an important petroleum base. An increase in oil production will speed up the development of Xinjiang's petrochemical industry. Moreover, it will expedite the development of new industries that serve the petrochemical sector.

To carry out the fourth task, we should enhance our economic strength and focus on three areas. 1) We should further optimize the agricultural structure to gradually commercialize and industrialize Xinjiang's famous, fine, and special farm and animal products. 2) We should revitalize existing enterprises. We will vigorously promote a cooperative shareholding system in small enterprises, change enterprises' operating mechanisms by transforming their organizational structure, increase economic returns, and turn existing enterprises into bases that ensure Xinjiang's continuous progress. 3) We should grasp the three opportunities to accelerate the development of secondary and tertiary industries in rural areas that are mainly comprised of village and town enterprises develop the rural economy more comprehensively. In the meantime, we should devote major efforts to developing the individual and private economies.

As they discussed this point, Song Hanliang and Tomur Dawamat related their personal experiences. They said: In seizing opportunities and carrying out the four tasks, the most important thing is to create an environment that is truly conducive to economic construction. All sectors of society should work together. Proceeding from their respective posts, the party committee, the government, enterprises, cadres, and the masses should focus on economic construction and make concerted efforts to boost the economy. We can accomplish the four major tasks and capitalize on our current strengths and opportunities only if we mobilize the initiative of all sides and truly foster an overall environment of economic development.

In conclusion, Song Hanliang and Tomur Dawamat said: In his government work report, Premier Li Peng noted the capacity and need for faster development in regions with proper conditions. The 1.6 million people of various nationalities in Xinjiang are bent on and capable of changing Xinjiang's backward outlook at the earliest possible date to achieve a comfortable standard of living along with the rest of the nation.

Commentary Views 'Opportune' Ku-Wang Talks*OW1304151493 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 1 Apr 93*

["News commentary" by station commentator (Yi Xin): "The Time Is Opportune for Ku-Wang Talks"; from the "News and Current Events" program]

[Text] The expository document on the background of the Ku-Wang meeting has clarified Taiwan's official stance on the upcoming talks between Wang Daohan, chairman of the mainland's Association for Relations Across the Taiwan Strait [ARATS] and Ku Jenfu [Koo Chen-fu], chairman of Taiwan's Foundation for Exchange Across the Strait [SEF], the most senior responsible officers of the two organizations. It also indicated that if all goes well, there is a chance that the Ku-Wang meeting will be held in mid-April. The other day, responsible officers of ARATS expressed their sincere appreciation for the stance taken by Taiwan toward holding the Ku-Wang meeting as soon as possible. The time for the meeting between Chairman Wang Daohan and Mr. Ku Jenfu is already ripe. This is the outcome of the efforts made by the relevant bodies across the strait. In January 1992, shortly after the establishment of ARATS on the mainland, it took the initiative of inviting the SEF's chairman and other responsible officers to visit the mainland. On 4 August, Chairman Wang Daohan personally sent an invitation to Mr. Ku Jenfu to hold talks, expressing hope that it would enable both sides to exchange views and work out plans concerning current economic development and other relevant issues faced by both sides. On 22 August, Mr. Ku personally made a reply and accepted the invitation. Subsequently, both sides have exchanged views on a number of occasions regarding the date and venue of the proposed meeting, as well as on preparatory consultations. According to Taiwan's official sources, Taiwan proposed to carry out the talks in three stages. Initially, Xu Huiyou [Hsu Hui-yu], the SEF's legal affairs director and the representatives from the mainland's ARATS would hold a two-day meeting on document verification and registered mail services. Then, Jiu Chinyi [Chiu Chin-i], secretary general of the SEF would undertake to draw up the relevant agreements. This would be followed by five to seven days of preparatory consultations, and then about two weeks later, the Ku-Wang meeting would be held in Singapore. On 25 March, Xu Huiyou and the rest of his six-member delegation arrived in Beijing and successfully concluded two agreements on the use of notary certificates and inquiries and on compensation concerning registered mail services across the strait, thereby resolving the major differences encountered in the consultations between both sides of the strait, and marked an encouraging step forward toward the Ku-Wang meeting.

Jiu Chinyi, newly appointed secretary general of the SEF, recently declared that the Kuomintang authorities have fulfilled the phase-by-phase missions under the "three-no's policy," and such being the case, it would be

necessary to make a further adjustment. The media have interpreted these remarks as information released under a new wave of mainland policy under the guidance of Li Teng-hui, and they have affirmed this as a pragmatic and positive approach. Not long ago, Taiwan Premier Lien Chan indicated that Taiwan has every sincerity to quicken the pace toward the stage of mutual trust and cooperation. This is also considered by the media as a sign of a possible breakthrough in cross-strait relations. At the same time, the media also pointed out that the "three-no's policy" is no longer in keeping with the times. However, Taiwan authorities, with their political expediency in mind, still regard the "three-no's policy" as an important bargaining chip for improving their relations with the mainland, and would not simply give it up. The so-called need to adjust the "three-no's policy" may possibly be designed to test whether the mainland would respond with goodwill. The people of all walks of life on the island have shown great concern and have great expectations toward the Ku-Wang meeting. The success of the talks will not only be conducive to forging the ties and cooperation between ARATS and the SEF, but also will further promote economic cooperation, as well as contacts and exchanges across the strait, and will enhance the development of cross-strait ties. It will benefit both sides of the strait. Provided both sides are prepared to carry out contacts and consultations under the principle of "one-China," and on the basis of mutual respect and seeking common ground while reserving differences, it is possible to really dissolve the hostilities, and gradually realize the objective of peaceful reunification.

Article Calls Cross-Strait Talks 'Success'*HK1404100993 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Apr 93 p 5*

["Random Talk About Taiwan, Hong Kong, and Macao" by A Sha (7093 5446): "It Is Good for the Two Sides of the Strait to Sit Down and Talk"]

[Text] The discussion on preparing for the "meeting between Wang Daohan and Ku Jenfu [Koo Chen-fu]" has proceeded for three days and reached eight common points. Both sides are satisfied, the people are happy, and this is a result of the cooperation and work by the two sides of the strait, and this has laid a foundation for a smooth process of the "meeting between Wang Daohan and Ku Jenfu" in Singapore later this month. This indicates that cross-strait relations are developing in a harmonious and propitious direction.

The success of the preparatory discussion and the approaching "meeting between Wang Daohan and Ku Jenfu" show people that it is good for the two sides of the strait to sit down and talk.

Since the two sides of the strait have been separated for more than 40 years, some estrangement cannot be avoided. Along with the development of cross-strait relations, both sides urgently need to sit down and

discuss and formulate some measures and methods to deal with exchanges, economic and trade interactions, and even some disputes. This is in the common interest of the people on both sides of the strait. It was decided at the preparatory discussion this time that the "meeting between Wang Daohan and Ku Jenfu" is civil, economic, business, and functional in nature, and this is a pragmatic and wise attitude. If cross-strait relations have to develop, not only must we abandon past suspicion, respect each other, and refrain from imposing one's own view on other, but we must also set aside the political difference between us for the time being, seek consensus while permitting difference, and first solve the urgent problems between both sides of the strait.

The success of the preparatory discussion also proves that it is not only necessary for both sides of the strait to sit down and talk, but that this process is also workable. So long as both sides can be sincere, even though there is still a gap in understanding, consensus can be reached on many problems, and satisfactory results can be achieved.

Chairman Wang Daohan made a good remark: "We must look further ahead, to the 21st century." Secretary General Chin-yi Chiu also made a good remark: "Concerning relations between the two sides of the strait, and the relations between the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait, if we can look at them from a higher angle, the difference between us will narrow." To develop cross-strait relations, we must consider the interests of the people on both sides of the strait, and the overall interest of the Chinese nation. Although there may be a different understanding and view on what is meant by a higher angle or looking further ahead, a meeting point can be found, and both sides of the strait can sit down together and talk.

The "meeting between Wang Daohan and Ku Jenfu" will no doubt be a big matter in relations between both sides of the strait. Not only will it further strengthen cooperative relations between both sides of the strait, but it will also promote the process of peaceful reunification of the two sides of the strait.

Magazine Reports PRC Submarine Accident

OW1404085693 Taipei CNA in English 0805 GMT
14 Apr 93

[Text] Taipei, April 14 (CNA)—An accident aboard a Chinese Communist submarine in March killed 13 people, a Hong Kong monthly reported in its latest issue.

The TREND [DANG XIANG] magazine reported that the submarine under the Chinese Communist North China Sea Fleet immediately lost power following an explosion in its engine room when the vessel was participating in a maneuver on March 1.

Participants in the marine maneuver, the magazine said, included cadets of the two navy academies in Qingdao and Dalian in northern China.

Thirteen crew members on board the Soviet-built submarine, including three officers, were killed, and the remaining 25 were rescued.

The sub with a serial number of "019" was towed back to the Qingdao naval base on March 5.

Chen Mingshan, navy deputy commander of the People's Liberation Army (PLA), ordered that the navigation of the fleet's other "W class" subs be suspended until the reasons behind the accident are identified.

The former Soviet Union sold 25 such submarines to the Chinese Communists in the early 1960s when the two regimes were close allies. Since then the vessels have reported five maritime accidents.

The subs, now mainly used for coastal patrol and in practice by naval cadets, are scheduled to be retired from the PLA Navy before 1996.

The Chinese Communist military did not make public the accident, the Hong Kong monthly indicated.

Singapore Forms Task Force for Ku-Wang Meeting

OW1404085593 Taipei CNA in English 0754 GMT
14 Apr 93

[Text] Taipei, April 14 (CNA)—The Singapore Government has set up a task force to arrange for a high-level meeting between the two sides of the Taiwan Straits in the city state later this month, an official with the Straits Exchange Foundation (SEF) reported Tuesday [13 April].

SEF Vice Chairman and Secretary-General Chiu Chin-i said the Singaporean task force will take charge of accommodation, transportation and security arrangements for the planned meeting between SEF chairman C.F. Ku and Wang Daohan, chairman of Beijing's Association for Relations Across the Taiwan Straits (ARATS).

Both the SEF and ARATS are quasi-official organizations authorized to handle cross-strait exchanges.

Chiu said the Republic of China [ROC]'s representative office in Singapore and the Beijing embassy there have maintained close contact with the Singaporean task force and are also girding up for the much-publicized Ku-Wang meeting.

Chiu said several SEF staff members will leave for Singapore next Monday to help arrange for the highest-level cross-strait contact in more than four decades, which will take place April 27-28.

During the meeting, Ku, a member of the powerful Central Standing Committee of the ruling Kuomintang, and Wang, a respected mainland politician and former mayor of Shanghai, are expected to sign three accords on cross-strait document verification and compensation for lost registered mail and on the establishment of regular communication channels between the two intermediary bodies.

Meanwhile, the opposition Democratic Progressive Party [DPP] remains adamant about having a say in the upcoming Ku-Wang talks, seen as the most important contact between Taiwan and the mainland.

The DPP insists on organizing a group of its members in the legislature to "observe" the Ku-Wang meeting. Party sources said Singapore foreign affairs officials told visiting DPP members earlier this week that the city state will not deny entry to the DPP observation group. Singapore will serve as a provider of the venue, accommodations and security for the meeting, not as an arbitrator, the officials were quoted as saying.

SEF Proposes Cross-Strait Economic Conference

OW1404090093 Taipei CNA in English 0757 GMT
14 Apr 93

[Text] Taipei, April 14 (CNA)—Chiu Chin-i, secretary-general of the Straits Exchange Foundation (SEF), said Wednesday that the SEF will discuss with its mainland counterpart Association for Relations Across the Taiwan Straits (ARATS) the organizing of a cross-strait economic conference.

Chiu said that the prospective economic exchange conference will be a topic at the meeting between SEF chairman C.F. Ku and ARATS chairman Wang Daohan in Singapore on April 27-28.

While many have cited insufficient guarantees to Taiwan business investments on the China mainland, the economic exchange conference may offer an opportunity to resolve certain concrete issues, Chiu said in a report to the Legislative Yuan Wednesday morning.

SEF Leader Returns From PRC Talks 11 Apr

OW1404112193 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
11 Apr 93

[From the "Hookup" program]

[Text] After concluding their five-day preparatory consultations for the Ku-Wang talks yesterday [11 April], Chiu Chin-i, secretary general of the Straits Exchange Foundation [SEF], and 13 members of his delegation left Beijing aboard Flight 109 of the Civil Aviation Administration of [Communist] China. They arrived at Chiang Kai-shek Airport at 1950 [1250 GMT], after changing to Cathay Pacific Flight (7940) in Hong Kong. Kao Kung-lien, vice chairman of the Mainland Affairs Council [MAC], greeted them at the airport. Chiu Chin-i and Kao Kung-lien held a news conference immediately after the former's arrival. During the news conference, Chiu Chin-i said: The consultations have produced results which are close to what had been anticipated. In the future, we expect better development of contacts between the SEF and the Association for Relations Across the Taiwan Strait [ARATS], as well as in relations across the Taiwan Strait. Here is a report by Chen Mei-hua:

[Begin recording] [Chen] SEF Secretary General Chiu Chin-i said during the news conference: The topics of discussion during the current round of preparatory consultations were entirely within the limits of authority delegated by the MAC. The SEF and the ARATS reached a consensus on seven issues, which was close to what had been anticipated. Nevertheless, the consultations did not address intellectual property rights and the protection of Taiwan businessmen's safety and property because there were just too many topics of discussion. After holding in-depth discussions, the two sides reached a consensus on some issues. Chiu Chin-i said: We have incorporated the ARATS' opinions into the results of the current consultations. The two sides will try to iron out differences. We expect better development in cross-strait relations in the future. Besides, the Ku-Wang talks will provide a forum where the two sides of the Taiwan Strait can sort out general issues. Chiu Chin-i said:

[Chiu] Quite a few problems have arisen from cross-strait contacts. We will think of a way to overcome or solve these problems. I think that the Ku-Wang talks will provide a forum where the two sides can address and sort out general issues.

[Chen] Regarding the protection of investments by Taiwan businessmen, Chiu Chin-i said: We propounded five principles governing taxation, independent operations, allowing investors to seek mediation in third regions, the establishment of Taiwan businessmen's associations, and the remittance of profits. Although we did not reach a consensus, ARATS Vice Chairman Tang Shubei was sincere about resolving the matter through further studies.

Last night, Democratic Progressive Party Lawmaker Lu Hsiu-lien, who had seen Chiu Chin-i off, greeted him at the airport. She offered a positive appraisal of the talks during Chiu Chin-i's current visit. Lu Hsiu-lien said:

[Lu] They—Chiu in particular—showed considerable respect for public opinion regarding the Chiu-Tang consultations. The consultations were quite systematic and transparent.

[Chen] This has been a report by China Broadcasting Corporation reporter Chen Mei-hue from Chiang Kai-shek Airport. [end recording]

KMT Not To Show Support for Hong Kong Reform

HK1404033093 Hong Kong SOUTH CHINA MORNING POST in English 14 Apr 93 p 8

[Report by Willy Wo-lap Lam in Taipei]

[Text] The Kuomintang (KMT) will not voice public support for the democratic proposals of Hong Kong Governor Mr Chris Patten because this would adversely affect the thaw in relations across the Taiwan Strait.

KMT spokesman and the head of its cultural department, Mr James Chu, also admitted there was a considerable ideological gap between the older generation of KMT members in Hong Kong and party headquarters in Taipei.

While talking to Hong Kong reporters yesterday, Mr Chu gave indirect support for Mr Patten's democratic reforms.

"We support plans that give Hong Kong residents more democracy and freedom and that will lay down the foundation for more democracy after 1997," Mr Chu said.

"Democratisation is our goal for Taiwan, Hong Kong and the mainland."

But Mr Chu, considered a confidant of President and KMT chairman Mr Li Teng-hui, said the party would not publicly voice support for Mr Patten's crusade.

He indicated that this might adversely affect the ongoing relationship with the mainland.

"Improvement in relations across the Taiwan Strait is not only good for us and the mainland but for Hong Kong," he said.

On the party's policy towards Hong Kong, Mr Chu said that both the KMT and the Taiwanese Government were committed to boosting their presence in the territory to ensure Hong Kong's democracy and prosperity.

But he admitted that there were considerable differences between Taipei and old-guard KMT members in Hong Kong and overseas.

"Overseas, we do not have enough young people joining the party, while there is a difference in mentality between the older members and party headquarters," he said.

"However, we cannot alienate (the old guard) or cut off our support to them. They have been our faithful supporters."

Mr Chu admitted that while the old guard supported his speeches on curbing Taiwanese independence, some of them expressed dismay when he talked about further democratisation. On the question of finding "successors" overseas, he said the party must find young members who met the requirements of the 21st century, not those with the mindset of the 1960's and 1970's.

"There are many people with such qualifications but who may not necessarily want to play a role in the party because this entails sacrifices," Mr Chu said.

He stressed, however, that the KMT was a reformist, not a "revolutionary" party, and would never subvert overseas administrations.

"The KMT is not a secret organisation and we would like to increase our transparency in Hong Kong," he said, adding that the party would abide by local laws.

Mr Chu said activities by the KMT in Hong Kong would be separate from those of the Taiwan Government as party politics in Taiwan had ruled out the fusion of party and government.

Taiwan sources said Taipei's ranking representative in Hong Kong, Mr John Ni, had recently been attacked by the KMT old guard in the territory, who disagreed with what they considered to be Mr Li's policy of de facto independence.

Foreign Minister Chien Discusses Rejoining UN

OW1404094693 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 9 Apr 93

[From the "Hookup" program]

[Excerpts] Chien Fu, foreign affairs minister, indicated that he respected President Li Teng-hui's hope that the Republic of China [ROC] will be able to rejoin the United Nations within five years. [passage omitted] CBC reporter Liu Yu-mei reports:

[Begin recording] [Liu Yu-mei] During a recent meeting with some national assemblymen who are Democratic Progressive Party [DPP] members, President Li Teng-hui disclosed that he estimated that the ROC will be able to rejoin the United Nations in approximately five years. Speaking at the opening ceremony of the Third Extraordinary Session of the Second National Assembly [on 9 April], President Li also indicated that he hoped this issue would evoke the attention of the international community in three years, so much so that it will seriously consider giving the ROC the support it needs to rejoin the United Nations.

In connection with this timetable, Foreign Minister Chien Fu indicated that he respected President Li's view.

He said: The Ministry of Foreign Affairs has been actively working on a plan. Not only will it be well prepared in various areas, but it has also instructed all foreign missions to work harder [toward the goal of rejoining the United Nations]. He also expressed the hope that the project will have the support from non-ruling parties. Minister Chien says:

[Chien] This project cannot be accomplished by a tiny [xiao xiao di] Ministry of Foreign Affairs alone. After we have our basic reasons and information ready, we hope everybody will give a hand to push this project forward. [end recording] [passage omitted]

German Legislators Arrive To Promote Ties

OW1404092293 Taipei CNA in English 0823 GMT 14 Apr 93

[Text] Taipei, April 14 (CNA)—Members of the German Bundestag (Federal Assembly) promised Tuesday [13 April] to further promote military and economic cooperation with the Republic of China [ROC].

A delegation from the Bundestag, including Guenter Klein, Wolfgang Lueder, and Ulrich Adam, arrived in Taipei Tuesday for a four-day visit.

Klein, leader of the five-member delegation, stressed that his country could technically help the ROC in renovating their old warships to strengthen national defense.

Klein also expressed that he would do his best to promote bilateral cooperation, both in economy and trade.

As to the navigation rights issue, Klein said that he hoped flights between the two countries could begin as soon as possible.

About the previously blocked plan of selling submarines to the ROC, Klein said he and his colleagues plan to reintroduce a similar bill in the Bundestag, a bill which to date has garnered the support of 130 assemblymen. They plan to introduce the bill in May and override the previous veto.

Trade Delegation Visits South Africa

OW1404091393 Taipei CNA in English 0814 GMT 14 Apr 93

[Text] Johannesburg, April 14 (CNA)—A 33-member trade delegation from the Republic of China [ROC], led by Vice Economic Affairs Minister Li Shu-chiu, arrived in Johannesburg Tuesday for a four-day visit.

Upon arrival in Johannesburg, Li told CNA that their mission this time is to seek support of friendly countries in southern Africa in ROC's bid to gain admission to the General Agreement on Tariffs and Trade, and to upgrade and promote economic, investment and strategic alliances between the ROC and countries in the region.

The delegation, composed of both high ranking ROC Government officials and representatives from the private sector, will visit South African Foreign Ministry and Trade and Industry Ministry, and various state-run enterprises during its stay here.

The delegation will also meet with business and industrial leaders Wednesday at a seminar on the formation of ROC-South Africa strategic alliance.

Li and his party will proceed with their trip to Madagascar and the island of Reunion April 17.

New Representative to Japan Assumes Post

*OW1304151893 Taipei CNA in English 1434 GMT
13 Apr 93*

[Text] Tokyo, April 13 (CNA)—The Republic of China's [ROC] new representative to Japan, Lin Chin-ching, arrived in Tokyo Tuesday [13 April] to assume his new post.

Lin told reporters at the airport that his top task is to strengthen exchanges in the fields of economy, trade, science and technology, education, culture and sports between the two countries which suspended their diplomatic relations in 1972. He said the ROC must improve its investment environment to attract Japanese high-tech companies to invest there and transfer technology to local manufacturers.

The ROC will then be able to export high-quality products to Japan and decrease its huge trade deficit, which amounted to US\$12.7 billion last year, he added.

Asked about the possibility of a Japan visit by President Li Teng-hui, Lin replied that Li did not discuss the issue with him when he called on the president before he came to Tokyo. Lin, 70, who had worked in Japan for 27 years before, succeeded Hsu Shui-teh, who is now secretary general of the ruling Kuomintang.

Lawmakers Seek Recognition of Mongolia

*OW1404090493 Taipei CNA in English 0800 GMT
14 Apr 93*

[Text] Taipei, March 13 (CNA)—A group of lawmakers has asked the nation to recognize the de facto independence of the Mongolian Republic (Outer Mongolia).

The 45 legislators headed by Kuo Chin-sheng said in their urgent motion to the legislature that the regulations governing civilian relations between the two sides of the Taiwan Straits, which became effective nine months ago, did not exclude Outer Mongolia from the nation's territory.

Defying the international community as well as Beijing's own recognition of Outer Mongolia, the regulations have resulted in some political and economic "blind points" for the nation, blocking its establishment of either official or civilian links with Mongolia.

They suggested that the government revise the regulations to exclude the region from the nation's territory and to recognize that Mongolia is an independent nation.

The Legislative Yuan approved the motion and decided to form a task force to further discuss the issue.

Hong Kong

Governor To Push for 'Clean, Fair' Elections

LD1004214793 London PRESS ASSOCIATION in English 2136 GMT 10 Apr 93

[Text] Hong Kong Governor Chris Patten has vowed to push ahead for clean, fair elections in the colony, despite "name-calling" from Beijing.

And he hopes Britain and China will soon resume talks on how the 1995 elections—the last under British administration—might be conducted.

In the SUNDAY EXPRESS, Mr. Patten said the argument with China was about whether the elections "will be conducted cleanly, openly and fairly, or whether they will be rigged to produce a rubber-stamped legislature guaranteed to be compliant rather than potentially troublesome."

He said: "I strongly believe that a credible legislature—not necessarily wholly directly elected, but at least arrived at cleanly, fairly and openly, and not cooked to be acceptable to one particular party or another—is fundamental to the rule of law."

Six months ago, he put forward proposals on how the elections might be conducted.

The proposals were in line with the Sino-British Joint Declaration of 1984, an international treaty registered at the UN, which guarantees Hong Kong's way of life for 50 years after 1997.

They also were fully in line with the Basic Law, China's mini-constitution for Hong Kong after 1997, he said.

"I stressed at the time that these were merely proposals and that I was willing to discuss them with the Chinese Government. I remain willing to do so, without any preconditions whatsoever," he said.

"Sadly, China has so far chosen not to put forward any alternative ideas or constructive suggestions, but has concentrated on piling on the abuse, most of it on my head."

Mr. Patten said he had not regretted his decision to take the post of governor of Hong Kong, even though in recent weeks he had been branded "everything from 'a sly lawyer' to 'the stinking garbage of colonial history'."

UK, China To Resume Talks on Hong Kong

LD1304112693 London PRESS ASSOCIATION in English 1111 GMT 13 Apr 93

[Text] Britain and China are to resume negotiations over the future of Hong Kong, it was announced today.

Representatives from the two countries will hold talks in Beijing starting on April 22, the Foreign Office said in a

statement. Hong Kong Governor Chris Patten was holding a news conference in London as the statement was released.

It follows a period in which the Chinese have been hurling abuse and insults at Mr. Patten over his "democracy" proposals in the run-up to the return of Hong Kong to China on July 1, 1997.

Mr. Patten was today due to have lunch with Prime Minister John Major at 10 Downing Street.

In Hong Kong, the British Embassy said in a statement that the Beijing talks about elections would be between Sir Robin McLaren, British ambassador to China, and Jiang Enzhu, vice-minister of foreign affairs, news agency REUTERS reported.

Michael Sze, Hong Kong's secretary for constitutional affairs, his deputy Peter Lai and William Ehrman, political adviser to Mr. Patten, will be present at the talks "to provide support to the ambassador," according to an embassy spokeswoman. She said she expected the first round of talks to last about four days.

"The Chinese and British sides have agreed that the government representatives of the two countries will, starting from April 22, 1993, hold talks in Beijing (Peking) on the arrangements for the 1994-95 elections in Hong Kong in accordance with the Sino-British Joint Declaration, the principle of convergence with the Basic Law and the relevant agreements and understandings reached between China and Britain," the embassy statement said.

Mr. Patten said: "I think that this is a victory for common sense."

Details of the talks were disclosed by Mr. Patten and Foreign Office Minister Alastair Goodlad on the steps of the Foreign Office.

Mr. Goodlad told reporters: "There are no preconditions for these talks."

Mr. Patten said: "We will be constructive and imaginative and will be looking for solutions to some of the problems that have arisen. I very much hope that we can come off at the end of the day with an agreement on proposals which are fair and open and acceptable to the people of Hong Kong."

The colony will be represented at the talks as part of the British side.

Mr. Patten said he hoped the discussions would help to develop cooperation between Britain and China and also to remove misunderstandings between the two countries.

"I think the result of all that will be to serve the long-term interest of the people of Hong Kong and ensure the successful implementation of the Joint Declaration and the guarantee of Hong Kong's way of life."

The Hong Kong governor was later lunching with Prime Minister John Major at 10 Downing Street.

British Team Namelist

HK1304132093 Hong Kong Asia Television Limited in English 1200 GMT 13 Apr 93

[From the "Main News" program]

[Text] The UK and China will resume talks on Hong Kong's constitutional reforms in Beijing next week. Each side will be represented by an envoy who will be supported by a team of other officials. Fanny Fung reports:

[Begin recording] The talks on the arrangements for 1994-95 elections will begin next Thursday in Beijing. The UK will be represented by its ambassador to China, Sir Robin McLaren, and his counterpart will be Jiang Enzhu, Chinese vice foreign minister. Sir Robin will be supported by the political adviser William Ehrman; Michael Sze, secretary for constitutional affairs; Peter Lai, his deputy; and Peter Ricketts, the head of the Hong Kong department in the Foreign Office. A government spokesman says they will participate in the talks in exactly the same way as they have done in previous negotiations, but sidestepped the question of whether the UK has backed down from its original demand that they must be full members of the team, which has been the sticking point to reopening talks in the past.

The announcement of talks made simultaneously in London, Hong Kong, and Beijing says the negotiations will be conducted on the bases of the Joint Declaration, the Basic Law, and the relevant agreements and understandings reached between the UK and China.

There is no indication as to how long the negotiations will last. [end recording]

Spokesman on Talks Status

HK1404065293 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0457 GMT 14 Apr 93

[Text] Hong Kong, 14 Apr (ZHONGGUO XINWEN SHE)—China and the UK announced simultaneously yesterday evening that both sides will soon hold talks on the arrangements for Hong Kong's 1994/1995 election. Regarding the status of representatives and personnel of both sides participating in the talks, our reporter had an interview with the XINHUA Hong Kong Branch. A spokesman of the Branch said in definite terms: The Chinese and British Governments will each send a representative to the forthcoming talks and the talks will be held between them. The representative of the Chinese Government is Jiang Enzhu, vice foreign minister, and the representative of the British Government is Robin McLaren, British ambassador to China. Both will be assisted by several consultants and experts respectively.

Official Comments on UK Team

HK1404054093 Hong Kong RTHK Radio Four in English 0500 GMT 14 Apr 93

[Text] A local Chinese official has accused the UK of creating obstacles for next week's talks on the governor's political reform proposals.

Deputy director of the local branch of the New China News Agency [XINHUA] Zhang Junsheng attacked the British side for announcing the composition of their entire team at the talks in addition to a joint communiqué, which only gave the names of the team leaders. He insisted that, aside from the team leaders, all others at the forthcoming talks would have the status of advisers or experts.

Papers Comment on PRC-British Talks, Prospects

Resumption Said 'Welcome'

HK1404065093 Hong Kong TA KUNG PAO in Chinese 14 Apr 93 p 2

[Editorial: "A Welcome Resumption of Sino-British Consultations Based on the 'Three Conformities'"]

[Text] The Chinese and British Governments made a joint announcement yesterday, which stated: The Chinese and British sides have agreed that government representatives from the two countries will, beginning on 22 April, hold talks in Beijing on the arrangements for the 1994/95 elections in Hong Kong in accordance with the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the relevant agreements and understandings reached between China and the UK. The announcement explained that each side will select a representative for the talks. The representative of the Chinese side will be Jiang Enzhu, vice minister of foreign affairs, while the representative of the British side will be Sir Robert McLaren, British ambassador to China.

It is the common expectation of Hong Kong's inhabitants that China and the UK will resume cooperation on the question of Hong Kong and will achieve a smooth transition and transfer of government. Any changes in the political structure during the transitional period which contravene the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the relevant agreements and understandings between China and the UK will inevitably undermine the foundation of Sino-British cooperation, disrupt a smooth transition, and result in social division and turbulence. This is what the majority of Hong Kong people do not want to see. The row over constitutional reform that has been stirred up by Patten has confused Hong Kong for months. Earlier, China and the UK started diplomatic contacts on the resumption of talks. On 12 March, however, Patten gazetted his constitutional package in the form of a draft bill, once again bringing Sino-British diplomatic contacts to a deadlock. On opening the gate to talks, "the

ball was in the British court." Over the past month or so, a number of political groups and figures from various social circles in Hong Kong have called for removing the artificial obstacles and resuming Sino-British talks. More than 100 district board members issued a joint statement on this question last week. Today, the news of China and the UK resuming talks based on the "three conformities" has come at last. This has come about because the Chinese Government stuck to its principled stand and vigorously sought cooperation. It is also due to the progress attained through the concerted efforts of figures from various fields in Hong Kong. This is why we are all welcoming this piece of good news.

China and the UK have had solid cooperation and fruitful consultations on the question of Hong Kong. Looking ahead to the resumption of talks between the two sides, it will not be difficult to reach an agreement on specific arrangements for the 1994/95 elections as long as they genuinely hold consultations on the basis of the "three conformities." In his government work report at the National People's Congress [NPC] last month, Chinese Premier Li Peng clearly stated: "We want cooperation, not confrontation. But the Chinese Government will never barter away principles." There are already provisions in the Basic Law of the Hong Kong Special Administration Region [SAR] and the relevant decisions on the formation of the first SAR legislature after 1997. The foreign ministers of the two countries have also reached relevant understandings. If the legislative members elected in 1995 are to take the "through train," the electoral arrangements for the functional constituencies and election committee must converge with the Basic Law and the relevant decisions and not in another way. The members should also meet the relevant stipulations and be confirmed by the SAR Preparatory Committee in 1996. If the package contravening the Basic Law—and even proposals deliberately calling for the revision of the Basic Law and the relevant decisions—are made again during the talks, there will be further setbacks, which will be a waste of time. The upcoming talks will be diplomatic consultations between two sovereign powers. The Chinese side will never permit the "three legged stool" or accept the "double dealing" trick. If Patten's constitutional package is tabled for debate at the Legislative Council, it will be tantamount to an immediate termination of the talks. Only those who intend to undermine Sino-British cooperation and who disregard the overall interests of Hong Kong will urge the Legislative Council to debate the constitutional package.

A review of the experience of the past six months or so shows that resuming the talks has not been easy. After removing the obstacles, the talks have been resumed through twists, turns, and repetitions. The last obstacle was the capacity in which Hong Kong Government officials would assist the talks. The joint announcement made yesterday is a statement made through diplomatic consultations between China and the UK, which indicates that each side will have a representative in the talks. Apart from the predetermined diplomatic statement, there should be no additional statements, such as

that other members will take part in the talks in the capacity as representatives. To ensure the success of the talks, words that would be harmful to the friendly atmosphere of consultation should be avoided.

The Hong Kong people are pinning their hopes on the Sino-British talks, expecting that the two sides will quickly and smoothly reach an agreement and cooperatively effect a smooth transition. Hong Kong's long-term prosperity and stability for the future lie in the concepts of "one country, two systems" and "Hong Kong people ruling Hong Kong." For this reason, greater hopes are being placed on the vast numbers of Hong Kong residents. The Hong Kong compatriots must make preparations for the future and take an active part in the work, which includes joining the working organ for the SAR Preparatory Committee in a conventional manner.

Talks Depend on UK 'Sincerity'

HK1404043893 Hong Kong WEN WEI PO in Chinese
14 Apr 93 p 2

[Editorial: "We Hope Sino-British Talks Will Yield Positive Results"]

[Text] At 1900 [1200 GMT] yesterday, the Chinese and British Governments each issued an announcement, identical in content, stating that the government representatives of China and the UK will, starting 22 April, hold talks in Beijing on the arrangements for the 1994/1995 elections. The Chinese Government representative will be Jiang Enzhu, vice foreign minister, and the British Government representative will be Robin McLaren, British ambassador to China.

This announcement contains two main points which must not be obscured or distorted. First, the talks will be held between two sovereign states and there is only one government representative from each side and all others are assistant personnel; thus, there is no case of a three-legged stool here.

Second, the talks will proceed in accordance with the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the relevant agreements and understandings reached between China and the UK.

The Joint Declaration makes it clear that China and the UK must strengthen cooperation and conduct consultations on the issue of power transfer. The constitutional proposals were written into the Basic Law a long time ago, so the talks should be aimed at resolving the specifics concerning the convergence with the Basic Law instead of putting forward another set of proposals. Through the exchange of seven letters between the Chinese and British foreign ministers, the two sides reached an understanding and agreement on the proposals for the convergence in the constitutional system. The British side, following the exchange of correspondence between the two foreign ministers, recommended the Basic Law to Hong Kong citizens and all that was left to be done was to solve specific technical problems. Therefore, the

talks should aim at answering the following questions: Which new constituencies should be brought into the functional constituency elections under the premise of the existing system and voting method; the formation of the Election Committee with the four components provided in the Basic Law; the age of voters; the division of geographical constituencies; and the voting method. The through train issue will be solved in accordance with the "Decision on the Method for the Formation of the First Government and Legislative Council of the Hong Kong Special Administrative Region" adopted by the National People's Congress and which is part of the Basic Law. As long as the principle regarding the Joint Declaration, the Basic Law, and the understandings and agreements between China and the UK stated in the announcement is observed, the talks will show progress and bring about an agreement.

The wording of the announcement implies that if Chris Patten had been handling things on the basis of the "three conformities" mentioned in the announcement from the beginning, the dispute, which has been going on for over six months, would not have happened. If Chris Patten had not created side issues in his capacity as Hong Kong governor and sabotaged the talks, by flagrantly gazetting his constitutional reform package, there would not have been such a long delay. It is a fact that the dispute was provoked by Chris Patten; cooperation and consultation were sabotaged by Chris Patten; and the delay was caused by Chris Patten.

After unilaterally putting forward the constitutional reform package, Chris Patten met with criticisms and objections by personalities from various circles in Hong Kong, who expressed their hopes in various ways that the UK would keep its promise and observe agreements, converge with the Basic Law, and hold consultations on the arrangements for a smooth transition with the Chinese side at an early date.

Prosperity and stability, not confrontation and disturbance, is the common aspiration of the people of Hong Kong. Under great pressure from Hong Kong public opinion, the British Government has at last expressed willingness to return to the track of the Sino-British Joint Declaration, the Basic Law, and the understandings and agreements between China and the UK. This certainly deserves a welcome from Hong Kong people and affirmation by the Chinese side.

However, the British side now has a record of bad faith and, during the period when China and the UK were discussing the resumption of talks, Chris Patten made a number of speeches in Europe and the UK which disregarded the overall interests and deliberately raised new obstacles to consultations. He dished out "three new conditions" which contravene the Basic Law; demanded China offer its own proposals; vowed to introduce radical direct elections and "fair elections"; emphasized that anybody can take the through train; and refused to mention handling things in accordance with the constitutional proposals provided in the Basic Law. Yesterday,

Chen Kwan-yiu, an Executive Council member appointed by Chris Patten, once again acted as the governor's mouthpiece and openly claimed that there are two bottom lines to the talks: One is the representativeness of Hong Kong officials and the other is that the vote count system stipulated in the Basic Law is unacceptable. Lok Kung-wai [7120 1872 1920], a Legislative Council [Legco] member appointed by Chris Patten, also claimed that Patten's proposals should be tabled to the Legco. All this indicates that there are still some on the British side who are not ready to see China and the UK resuming talks and cooperation or to accept convergence with the Basic Law. Therefore, they still have no sincere interest in handling things by the "three conformities."

Whether or not the talks can be smoothly carried out depends on the sincerity of the British side and whether or not they will create new obstacles. If they truly wish to see a smooth transition and an untroubled transfer of political power, they should handle things in accordance with the understandings and agreements reached between China and the UK and converge with the Basic Law. Before Patten came to Hong Kong to assume office as governor, British officials and former Governor David Wilson had repeatedly confirmed convergence with the Basic Law. If the British side returns to this track and acknowledges that China and the UK do have understandings and agreements between them, the talks will bring good news to the people of Hong Kong. We hope China and the UK will cooperate on the basis of the three conformities and come to satisfactory results in their talks.

'Victory for Common Sense' Seen

HK1404020593 Hong Kong SOUTH CHINA
MORNING POST in English 14 Apr 93 p 16

[Editorial from the "Comment" page]

[Text] The surprise announcement last night that Sino-British talks on the arrangements for the 1994/95 elections are to begin next week is to be welcomed. It is, as the Governor, Mr Chris Patten, has rightly claimed, a victory for common sense. The notion that the two sovereign powers should spend the next four years refusing to talk to each other when so much of vital importance to the territory's future remains to be sorted out has always been more frightening to most Hong Kong people than the possibility that the political reforms impasse might be resolved in a manner that is unsatisfactory to one side or the other.

To have reached the stage where both Britain and China can move forward from "talks about talks" to talks about the issue at hand has involved small concessions from both sides. It should be remembered that previous "talks about talks" broke down last month because China rejected Britain's insistence that Hong Kong be allowed into the negotiations as a full partner. In what will be seen as a compromise, Britain has now agreed to China's

demand that talks will take place between its Ambassador to China, Sir Robin McLaren, and his Chinese equivalent, Mr Jiang Enzhu, the Vice-Minister of Foreign Affairs. Other team members will play only a supporting role. In return, Beijing has voiced no opposition to allowing three Hong Kong representatives, Mr Michael Sze Cho-cheung, Secretary for Constitutional Affairs, his deputy Mr Peter Lai Hing-ling and Political Adviser, Mr William Ehrman, participate in the talks.

The fact that the status of Hong Kong officials in the talks has been left deliberately vague allows both sides to fudge the issue on whether they have backed down. Public opinion polls in this newspaper and elsewhere have consistently shown that Hong Kong people clearly want both sides to return to the negotiating table and sort out their differences, but do not share the British Government's view that Hong Kong officials must be granted full membership status in talks. To the man in the street, the more important issue is that no secret deals are reached between Britain and China.

Mr Patten is on record as saying there will be no secret deals. Although the details of the negotiations will remain secret, any agreement must be made public and then put before the Legislative Council [Legco] for its approval. However, that stage is still some way off and will require much hard work and good faith on both sides.

If there is bad faith, it is more likely to be in China's refusal to recognise Legco's right to veto any agreement. For Hong Kong's sake, both sides must now go into the talks with a genuine desire to reach an accommodation that is in the best interests of the territory and not just as a face-saving gesture for London and Beijing. Mr Patten could do worse than hold back on tabling his reform bill but still be prepared to take that step decisively if China appears to be stalling merely to ensure the legislature runs out of time to amend and debate it. Britain and China have shown they are prepared to be tough as well as flexible. The same steel must be shown by Mr Patten over the months to come as he has shown since he first made his proposals last October.

The positions of Mr Patten and the Chinese side are so well-known and well-entrenched that, at this stage, there is no reason to believe that a breakthrough can be achieved—at least in the short term. But if the agreement to begin talks means anything, it is that Britain and China have recognised that to allow the stand-off to go on much longer would have seriously undermined Hong Kong's confidence in itself and in its future. Whatever the outcome of the talks, any agreement must pass the litmus test of being acceptable to not only the legislature, but the people of Hong Kong. This may be the most difficult obstacle of all, but it is one that will have to be faced.

Consultations Give 'Reason To Hope'

HK1404021293 Hong Kong *THE STANDARD* in English 14 Apr 93 p 15

[Editorial from the "Opinion" page]

[Text] What Governor Chris Patten said in London sums it up: "A victory for common sense." The argument about the status of Hong Kong officials has been solved by reducing the size of each delegation to one person. They will be supported by a team. And Hong Kong officials will constitute four members of the British team.

It serves no purpose now to try to score political points by claiming either side has been forced to abandon its earlier position. The important point is the talks are going to take place. That is good news for Hong Kong.

Most people here would not like to see confrontation; they would prefer to see compromise. But nobody should under-estimate the enormous gulf that has to be bridged between China and Britain over what each side regards as fair elections for this territory.

Patten has put his proposals on hold while the talks go ahead (with the not unreasonable rider that they will not be presented while the talks are making progress). The Governor has rightly pointed out if the talks are moving forward successfully, the bill should be left where it is now—just gazetted.

What the two sides have to settle down and agree to are elections that will be acceptable to Hong Kong people. There is reason to hope that, after all the name-calling, vitriol and abuse Beijing has heaped on Patten, China finally realises if it wants to have any credibility in Hong Kong after 1997 it has to make an effort to talk. The commitment is a mutual one.

It will not be easy. But at least there is a glimmer of hope that this whole mess will be sorted out. This may mean two of the major points on Patten's platform—the election committee and the functional constituencies—will have to be changed. But if it means that in 1995 there is a guarantee that those elected in that year can go through to 1999, it will be a very worthwhile trade-off.

Let it not be forgotten Patten's package is not the only topic the two sides will have to grapple with. There are other issues on the agenda—vital issues that have been put on hold while London and Beijing have been bickering. If they can confine their political differences to these talks, then Hong Kong will breathe a collective sigh of relief.

All we can hope for is that China sees the wisdom of a free and independent Hong Kong. Otherwise, we will just start off once again down a sorry road of decay. In the meantime, there is a glimmer of sunshine amid the dark and gloomy clouds hanging over this territory.

Paper Reports Patten Comments on Talks Reopening

HK1404025893 Hong Kong SOUTH CHINA MORNING POST in English 14 Apr 93 p 5

[By David Wallen in London]

[Text] The Governor, Mr Chris Patten, said the British team for the talks would be composed in the same way that it had been "down the years".

"It is important to emphasise that there has never been an issue as far as we are concerned about the discussions being between the sovereign powers Britain and China," he said outside the Foreign Office in London.

He said he had announced some time ago who the members of the British team would be and those figures would still be its members.

Those supporting the Ambassador to Beijing, Sir Robin McLaren, "will be playing exactly the same role" as they did in Sir John Cole's talks in Beijing last autumn, Mr Patten said, with the Minister with special responsibility for Hong Kong, Mr Alastair Goodlad, standing beside him.

Mr Patten confirmed that the agenda would concentrate on the arrangements for the 1994/95 elections.

"We will be constructive and imaginative and will be looking for solutions to some of the problems that have arisen," he said.

"I very much hope that we can come off at the end of the day with an agreement which is fair and open and acceptable to the people of Hong Kong."

Asked how the talks would tie in with the schedule of legislation through the Legislative Council [Legco], Mr Patten said: "We will need to keep a close eye on how the talks are proceeding and see how that relates to the timescale for legislation."

There was no doubt on either side that arrangements needed to be in place for both sets of elections.

Mr Patten insisted the Hong Kong Government was not going to dig itself in on the timing of the legislation.

But he was vague about what influence the Legco process might have on the talks. He said Legco would like to reach agreement with China but different members had different views on what "that agreement might ideally be".

Mr Patten said he would not want the talks to begin without hope that they would be successful.

But he added: "I think you would be delighted but surprised if the ambassador and I were to set out in detail what we will be saying at the first round of the discussions."

"One of the issues I am sure we will be wanting to discuss with the Chinese is exactly what they mean by the through train."

Mr Goodlad stressed that there were no preconditions to the talks.

Asked what had changed since Chinese leaders recently said he would be condemned for a thousand years, Mr Patten said: "There is a certain custom in these matters. But maybe a thousand years is a long time in politics, (but) a fortnight is even shorter."

Mr Patten later had an informal lunch with the Prime Minister, Mr John Major.

Aides said it was to be a meeting of old friends. The inference was that much of the time would be spent on Tory party matters, not on Hong Kong.

Mr Patten, Mr Major, and Mr Hurd will meet to discuss Hong Kong on Friday, shortly before the Governor leaves Britain.

Daily Carries British MP Article on Patten

HK1404032593 Beijing CHINA DAILY in English 14 Apr 93 p 4

[By Robert Adley, chairman and founder of the British-Chinese Parliamentary Group: "Chris Patten Needs To Reconsider His Position"; paper notes that article is reprinted from the 7 April 1993 edition of LLOYD'S LIST"]

[Text] The Oxford Dictionary describes a diplomat as a "tactful person."

As a politician, I recognize my diplomatic deficiencies.

Occasionally the appointment as ambassador of political or business friends of American presidents has had diplomatic repercussions.

The more sensitive the position the greater the need for skill and experience. Few posts have higher diplomatic priority than that of the governorship of Hong Kong.

Britain's relations with China over Hong Kong have always been underscored by mutual recognition of China's ultimate ability to control Hong Kong. Every Chinese Government has refused to accept the legality of our "occupation of part of China."

The diplomatic triumph of the 1984 Joint Declaration was twofold. Firstly, it enabled China to recognize and legitimize the existing status of Hong Kong. Secondly, and much more importantly, by satisfying claims to sovereignty, it enabled China to invent, propose and agree the creation of "one country, two systems."

Failure to understand the overriding importance to China of being seen to be in control of its own territory compounds the Hong Kong dilemma.

The trick—in card-playing terms—remains to establish an agreement that enables China to agree on the creation of a regime in Hong Kong that is fundamentally different to that pertaining in the People's Republic.

That is what was achieved in 1984, and that is what is now jeopardized. To announce his proposals before visiting Beijing or discussing them personally with the Chinese Government was an error by the governor. To do so just prior to a meeting of the National People's Congress compounded it. Governor Patten appears to have broken both the letter and the spirit of the '84 Agreement, and that part of the 1990/91 negotiation on the Basic Law dealing with the 1995 elections. Ask those involved in those negotiations in private and they will confirm this view.

Repeating simplistic phrases about "democracy" in relation to the details of the 1995 elections is tantamount to arguing about the deckchairs on the Titanic.

While the prime minister and foreign secretary were preoccupied with our European Community presidency, Chris Patten was finding his feet in Hong Kong. He may have failed to recognize the historic context in which the '84 Declaration was reached; and to have been politically seduced by those who obtained less than 9 percent of the votes of those eligible to register to vote.

To believe that China will respond, on a matter of national pride and sovereignty, to threats to her trade and financial interests may be a grave mistake.

If in that grave were to be buried all the advantages—primarily for Hong Kong—of the '84 Declaration, those who wrought such destruction would earn, and deserve, censure.

Chinese governments keep their words on international agreements they sign. We should do the same, lest we fail the people of Hong Kong.

Governor Patten should consider his position.

Scholar Views Legal Aspect of Patten's Reform

HK1404014293 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 9 Apr 93 p 5

[By Liu Wensong (0491 2429 1350), professor at the Foreign Affairs College International Law Research Institute: "Being Perfidious Goes Against the Principle of Law—Commenting on British Hong Kong Authorities' Publication of the 'Constitutional Plan'"]

[Text] On 12 March, the British Hong Kong authorities formally published the draft legislation of 1994-95 election. Based on Hong Kong Governor Chris Patten's "constitutional plan," the content of the draft legislation went entirely against the Sino-British Joint Declaration and the agreement and understanding reached by China and the UK. The draft legislation was deliberately designed to separate the election from the Basic Law so as to disturb the stable transition and smooth hand over

of Hong Kong's sovereignty. Every compatriot on the mainland and in Hong Kong and Macao and those compatriots residing abroad who are concerned about the smooth return of Hong Kong to the motherland in 1997 and about Hong Kong's prosperity and stability were extremely astonished at this and accused the British side of a perfidious act.

Disregarding the Chinese side's opposition and advice, the British side actually fragrantly published the "constitutional plan," which created disunity and confusion in Hong Kong and affected Hong Kong's prosperity and stability in the form of legislation when the representatives of the Chinese and British Governments were about to reopen talks. It will also submit the plan to the Legislative Council [Legco] for discussion in a vain attempt to turn the plan, which has been rapped by various sectors in Hong Kong and on the mainland, into Legco's decision and to impose it upon the Chinese Government and compatriots in Hong Kong. All this can only mean the British side entirely miscalculated. It can only prove that the British side is employing new tricks on purpose and that it has no sincerity whatsoever. We can say with certainty that such a plan will become waste paper sooner or later. The Chinese people, who have stood up, and the compatriots in Hong Kong, who ardently love their motherland, will not gulp down such a bitter pill, which is similar to the opium in those years which brought humiliation upon the Chinese people.

The Sino-British Joint Declaration on the Hong Kong issue was signed by the heads of the two governments and approved by the legislative institutions of the two governments. It possesses the nature of an international accord. The Basic Law for the Hong Kong Special Administrative Region that the Chinese Government enacted on the basis of the Joint Declaration was enthusiastically supported by Hong Kong compatriots in all walks of life. It was passed by the third session of the seventh National People's Congress and was published by the People's Republic of China in 1990. When signing the Sino-British Joint Declaration on the Hong Kong issue on behalf of the British Government, Mrs Thatcher, former British prime minister said at the signing ceremony: "I assure you that the British Government will do what it can to make the agreement a success," "and according to the stipulations of the agreement, we will hold consultations with the Chinese Government through the Joint Liaison Group to ensure a smooth transition." After the Basic Law was published, the British Foreign Ministry made an affirmative statement, saying that the Basic Law "is an important milestone" and that "it has laid a foundation for Hong Kong's future." Later, the British side repeatedly promised that Hong Kong's political development would converge with the Basic Law. The seven documents on consultations between the Chinese and British sides on convergence of political reforms before and after 1997 published in October last year clearly show that the two sides have reached an agreement and understanding about the 1995 constitutional arrangement. The incumbent Hong Kong Governor Patten clearly violated the

above agreement by unilaterally publishing his "constitutional plan" without consulting the Chinese side, thus separating Hong Kong's political reforms from the Basic Law. As is known to all, a guaranteed convergence of political reforms before 1997 with the Basic Law is an important condition for smooth transition in Hong Kong. Without the convergence, the implementation of the Sino-British Joint Declaration and other agreements on the Hong Kong issue would be out of the question. Patten's "constitutional plan" was exactly designed to make a breach in the need for convergence so as to amend or repudiate the agreement reached by the two sides, thus creating confusion in Hong Kong. This is the crux of the matter.

As far as the international law is concerned, that "treaties must be observed" is the basic principle of the treaty law and is also the foundation of the international law. Article 26 of the Vienna Convention on the Law of Treaties stipulates: "Treaties must be observed. Any effective treaties must be binding for all countries concerned and must be observed by those countries with good will." Article 27 stipulates: "A country concerned shall not refuse to observe treaties by invoking its domestic legislation." What do treaties mean? Article 2 has given a clear answer: "A treaty means a written agreement reached by countries concerned in accordance with the international law, no matter whether the agreement is written in a single document or in two or more mutually related documents, and no matter what special name the agreement is given. Since the British Government has acceded to the "Vienna Convention on the Law of Treaties," it certainly knows that neither the British Government nor Patten is allowed to amend or negate the aforesaid relevant agreements signed by the Chinese and British Governments, nor can they violate the Basic Law based on these agreements by carrying out the "constitutional plan" or Legco's decisions. Therefore, the Chinese side firmly maintains that Patten's "constitutional plan" is not a matter of whether or not there is democracy in Hong Kong, but a matter of whether the British side will faithfully observe an international treaty. Not a single character of the Basic Law shall be altered before 1997. This is an entirely reasonable and lawful requirement.

According to the Sino-British Joint Declaration, the UK "is responsible for administration of Hong Kong before 30 June 1997 to maintain Hong Kong's economic prosperity and social stability." The British Hong Kong authorities cannot do whatever it likes by "making at will imperious political decisions" so as to bring "an earth-shaking, major, and sudden change" to Hong Kong society. According to international law, the joint declaration and other relevant agreements signed by China and the UK have come into force, and the spirit of the Basic Law, which was enacted on the basis of the Basic Law and which has been promulgated, must not be violated. Any act or major measures concerning legislation by the British Hong Kong authorities are not allowed to go against legal documents. Any act going

against these documents by the British Hong Kong authorities would be considered as violating international law and refusing to fulfill the obligation required by the treaty and the British Government must bear responsibility for all the serious consequences arising from this.

Patten 'Blatantly Violates' Joint Declaration

*HK1404091593 Beijing FAZHI RIBAO in Chinese
4 Apr 93 p 4*

[By Xiao Weiyun (5135 5588 0061): "Patten's 'Constitutional Reform Package' and the Facts"]

[Text] Chris Patten's "constitutional reform package" blatantly violates the Sino-British Joint Declaration, the spirit of the Basic Law, and the agreements reached by the Chinese and British sides on the formation of the first Legislative Council of the Hong Kong Special Administrative Region. This is very clear, and all the facts that form the foundation of this argument are available. Up to now, Patten has flatly denied them. He can hardly fool the public.

The Sino-British Joint Declaration clearly stipulates that, "during the transitional period between the date of the entry into force of this Joint Declaration and 30 June 1997, the Government of United Kingdom will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability; the Government of the People's Republic of China will give its cooperation in this connection." This requires China and the UK to consult and cooperate on some issues relating to the transitional period. Annex II of the Sino-British Joint Declaration also clearly stipulates: "The two governments have agreed that, in the second half of the period between the establishment of the Joint Liaison Group and 1 July 1997, there will be a need for closer cooperation, which will therefore be intensified during that period. Matters for consideration during this second period shall include: a) procedures to be adopted for the smooth transition in 1997...." What is stressed here is that not only should China and the UK consult and cooperate, but they should cooperate "closely." Before the constitutional reform package was published, however, the British side simply did not consult the Chinese side. Is there any shadow of closer cooperation in this regard? The British side acted willfully and was bent on not having discussions with the Chinese side. It purposefully violated the Sino-British Joint Declaration.

In the Declaration, in China's 12-item basic policies regarding Hong Kong, there are four occasions of the stipulation "remaining unchanged," such as that the existing social and economic systems should remain unchanged, and there are four occasions of the stipulation "retaining," such as that Hong Kong's status as a free port and a separate customs territory shall be retained. In the Declaration's Annex I, there are also 10 occasions of the stipulation "preserving," along with

nine occasions of the stipulation "retaining." The fundamental purpose of these stipulations is to try as much as possible not to make major changes in Hong Kong's political system after 1997 or changes in its social and economic systems so as to reduce shocks to Hong Kong's society and safeguard its stability and prosperity. Patten's constitutional reform package was designed to significantly change Hong Kong's current political system, change the existing relations between the Executive and Legislative Councils, and change the current election methods for functional bodies and district councils. Has Patten really not read the Sino-British Joint Declaration and not been aware of the stipulations and spirit of the Declaration? Of course not. By so doing, he deliberately violated the Declaration and completely ignored it.

The resolution of the National People's Congress [NPC] on the method for the formation of the first government and the first Legislative Council of the Hong Kong Special Administrative Region stipulates: The first Legislative Council is to be composed of 60 persons, of whom 20 members are to be directly elected by different districts, 10 members by the election committee, and 30 by functional bodies. At the meetings of the Political System Special Group of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region, which were held in Guangzhou in December 1989 and January 1990, the method for the formation of the first Legislative Council was debated a great deal; in fact, the debate went on for several years before the actual meetings. At that time, Drafting Committee members of the special group were also aware that China and the UK had been conducting consultations through diplomatic channels. Although they did not know the happenings in detail, they did know that the two sides had reached agreements and understandings in the end. Many newspapers and periodicals in Hong Kong reported the event. Last year, China and the UK published seven letters that had been exchanged in the process of consultations that had produced the agreements. This is very clear, and all the facts are available, as one may well say. Patten first denied the agreements, and then the British side threateningly said that the agreements did not have any legal effect and denied the facts and the legal effect of the agreements. This was of no help to Patten in the slightest degree. It was nothing but a revelation of his true colors.

The Political System Special Group of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region held many discussions on the composition of the election committee, the nature of functional bodies, and the method with which they elect members to the Legislative Council, as described in the method for the formation of the first Legislative Council. The election committee will be composed of broadly representative people from all walks of life in Hong Kong. It is similar to the election committee defined in the NPC resolution on the method for the formation of the first government and the first Legislative Council of

the Hong Kong Special Administrative Region, which will be proportionally composed of four groups of people: individuals from business and financial circles, professions, labor, and grass-roots and religious organizations; former political figures; NPC deputies; and National Committee of Chinese People's Political Consultative Conference [CPPCC] members from the Hong Kong area. This was also the method for forming the "big electoral college," as proposed by some people in Hong Kong. All the contents of these proposals were published in Hong Kong's newspapers and periodicals in those years. Nevertheless, in his constitutional reform package, Patten deleted three of the four groups of people, specifically, NPC deputies, CPPCC National Committee members, and the former Executive Council members, Legislative Council members, urban council members, and district board members who make up the category of "former political figures." He only retained the district council members. Moreover, he changed the method of appointing some district board members to that of directly electing all members and letting directly elected district board members become members of the election committee. Thus, Patten completely removed the concept of broad representation from the election committee. In regard to the election of functional bodies, it was only after confirming the 1984 and 1988 form and method for the election of functional bodies that the Political System Special Group made a decision, which was published in many newspapers and periodicals in Hong Kong at that time. In his "constitutional reform package," Patten changed the nature of the functional constituencies and included the entire working population in Hong Kong in the category of functional constituencies, and replaced all forms of collective [fa tuan 3127 0957] voting with individual voting. This was completely different from the resolution on the method for the formation of the first government and the first Legislative Council. This is why we say that Patten has violated the spirit of the Basic Law.

Over the past few months, Patten has continued to persist in his errors, has kept a blind eye to the drafting of the Basic Law and the records of the Basic Law drafting that were carried in many newspapers and periodicals in Hong Kong, and has turned a deaf ear to the opinions aired on the basis of facts by many former Basic Law Drafting Committee members. This shows his intention of throwing Hong Kong into chaos and his unwillingness to go back to the former position.

The drafting of the Basic Law took nearly five years. Most Hong Kong residents have accepted the law. The views expressed in Patten's "constitutional reform package," however, are completely the ones which have been dismissed in the course of drafting the Basic Law. Is this actually an accidental coincidence? He has deliberately created obstacles because of his unwillingness to see a smooth transition in Hong Kong in line with the Basic Law and, moreover, his unwillingness to see the smooth Chinese resumption of sovereignty.

Patten has refused to acknowledge the facts and has persisted in his errors in an attempt to throw Hong Kong into chaos. The China of today is no longer the China of the past, and his attempt will not succeed. The people throughout the country, including the compatriots in Hong Kong, will surely be able to implement the principle of "one country, two systems" in Hong Kong, achieve a smooth transition, and maintain Hong Kong's economic prosperity.

Official on Hong Kong Investment in Mainland

*HK1404085693 Hong Kong WEN WEI PO in Chinese
10 Apr 93 p 12*

[By staff trainee reporter Li Hsiao-ping (2621 4562 0393): "At Meeting With Eastern Industrialists Association Delegation, Wang Qiren Says Hong Kong Investment in Mainland To Be Guaranteed Before and After 1997"]

[Text] Beijing, 9 Apr (WEN WEI PO)—Wang Jiren, deputy director of the Hong Kong and Macao Affairs Office under the State Council, said here today that the Chinese side would guarantee investments of Hong Kong businessmen on the mainland before and after 1997 and hoped that Hong Kong industrialists would still devote themselves to developing industrial enterprises in Hong Kong rather than rushing to engage in finance, tourism, and tertiary industry. Otherwise, Hong Kong's economy will become weak.

Together with Chen Zuor, director of the First Department of the Hong Kong and Macao Affairs Office, Wang Qiren met a delegation of the Hong Kong Eastern Industrialists Association this afternoon. Wang Qiren stressed: Cooperating with the mainland is an important

link of the future development of Hong Kong's medium and small enterprises. Many Hong Kong businessmen have invested and set up factories on the mainland, thus significantly reducing production cost.

Some delegation members said: Currently, Sino-British relations are strained. Some people are worried that this will adversely affect their businesses. Wang Jiren said: The Chinese will uphold the principle of "one country, two systems," implement the principle of Hong Kong people ruling Hong Kong and of a high-degree of autonomy, and ensure stable development of the Hong Kong economy. He said: "After 1997, you should not be afraid. Before 1997, the Chinese side will also guarantee your investment on the mainland. You can do business as usual." China's development of the socialist market economy has brought an opportunity for Hong Kong businessmen. In the days to come, China will continue to improve its investment environment. The mainland market is trustworthy. We hope that Hong Kong businessmen will actively develop the mainland market and be at ease in making investments.

When the guests expressed their worries about the current Hong Kong economy, Wang Qiren said: The period of time to come is an important period for maintaining Hong Kong's economic stability and prosperity, and I am convinced that there are a lot of things for our friends in industrial circles to do. Since Patten's "three violations" move is a breach to Sino-British cooperation, it is impossible for it not to have an adverse impact on the Hong Kong economy.

After the meeting, Wang Qiren gave an banquet in honor of the association's delegation members. Chen Zuor and Deng Qiang from the Hong Kong and Macao Affairs office were also present at the banquet.

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